

# **EXHIBIT 10**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**Cc:** Valerie.Lujan@willis.com[Valerie.Lujan@willis.com]; garth.boreczky@willis.com[garth.boreczky@willis.com]; John Frink[jfrink@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-02-19T13:00:51-05:00  
**Importance:** Normal  
**Subject:** Re: Loss Control Visit by Jim Phair of Willis  
**Received:** 2014-02-19T13:00:51-05:00

Sounds great.

Thanks for your help!

Kevin

Sent from my iPhone

On Feb 19, 2014, at 9:58 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Valerie and Gareth,

I wanted to follow up with after Jim Phair's visit to the plant as promised on the phone yesterday.

Our visit with Jim was very cordially and he, John and I spent some time together answering any questions that he had, then John took him on a tour of the plant.

I did have a chance to debrief with Jim after his tour and he informed me that he thought our plant was one of the cleanest he had been and that this was one of the few pellet-mill facilities that he did not smell any sawdust. Seems like he was quite impressed with the progress that has been made here in just six months.

I told Jim that I would be available for any follow-up questions that he might have. I'm sure that he'll be in contact with you soon.

Have a wonderful day!

Mike

--

Michael A. Donaldson  
Controller

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# EXHIBIT 11

**To:** Roger Knoph[rknoph@envirotechservices.com]  
**From:** Kevin Whyrick  
**Sent:** 2013-11-08T12:24:54-05:00  
**Importance:** Normal  
**Subject:** Fwd: IFS Cost Accounting Process Update  
**Received:** 2013-11-08T12:24:54-05:00

FYI, here's an email from Michael. This tells me that he is getting it. I think he will be the guy that can take this stuff and run with it, and make sure that it is accurate.

Thanks,

Kevin

----- Forwarded message -----

**From:** Michael Donaldson <mcdonaldson@traefuels.com>  
**Date:** Fri, Nov 8, 2013 at 3:49 AM  
**Subject:** Re: IFS Cost Accounting Process Update  
**To:** John Frink <jfrink@traefuels.com>, Clayton Walker <cwalker@traefuels.com>  
**Cc:** Kevin Whyrick <kwhyrick@envirotechservices.com>, Chris LaRocco <clarocco@envirotechservices.com>

Good Morning John and Clayton,

I'm up a little early this morning. Today is a travel day for me (will loose 2 hrs in time change, plus 3.5 hours of flying and ancillary hours - shuttle to airport, check-in, security, maybe 2 or more hours drive from Washington Dulles to home in Friday/weekend traffic) so I don't want to loose the whole day of productivity. It is important to get things moving in our costing initiative, as we are starting to get orders.

Again, thank both of you for taking the time to join in on the conference call and without your input of the operational side of the business, we would not be successful. One example for me, I was trying to wrap my mind around the various species of hardwood/softwood, thinking that each species was going to be ordered and delivered separately, which I thought would need a unique identifier. However, when Clayton said that it's all coming on one truck, that helped me understand I was thinking to granular for that particular part of the process. These dialogues are very healthy for all of us and once we get the costing processes in place this will assist everyone with not only the effectiveness but efficiency as well.

I want to give you a brief update of what happened after the conference call, as well as where we want to go over the short term (next week) to move us forward.

- 1) During the call, Kevin was documenting the process flow in outline form on the white board in the conference room. Michelle took photo's of the notes (in case someone erased the board and forwarded them to us).
- 2) Next, I put the summation of the notes into a Word document in outline form, so they would be a little more easier to access and read. This was forwarded to the meeting attendees as well for review.
- 3) John forwarded a pictorial view of the plant map in his office, which shows the how the process flow moves along. I forwarded this to all the attendees, so that they have not only Text (Word document), but a visual (map), of which, both taken together will provide context. These were also provided to the IFS Consultant present, who along with his colleagues are going to assist us of what IFS can do and how we are best able to implement the cost system with our various product processes.
- 4) Over the next 1 1/2 - 2 days, we (Kevin, Michelle, Chris, Debby, Ajay and I took some time to meet together to brainstorm about how to approach matching the intricacies of the process flow of the business to a costing plan and what IFS will do for us, so that we can capture critical information. Ajay, the IFS consultant especially needed to understand what we want, so that he and his colleague Mike (who has more expertise in the manufacturing costing design area) can guide us as we build the cost system. As anything, we will have to tweak the process as we go forward.

**Next Steps:**

a) Over the next week Ajay and Mike from IFS will confer and come back to us on best how to advise us. This will most likely take place on a conference call in the later half of next week.

b) In the interim, starting on Monday, I need to spend time in the field in the plant each day observing how the process flows, looking at how we capture metrics at each stage of the process, also looking at the machinery and equipment in terms of maintenance, what parts normally to we need to replace, how often, cost, etc. I will also need to look at how you are planning to capture the data (what forms, if any you have used, or plan to use), for example while the machines might have electronics metrics on them that detail volume in tonnage, time to process, how do we know what job (customer) it relates to, which operators, repair orders for machines, etc? This will involve talking with you and also the operators and we may together have to come up with some additional ways to measure (i.e. forms, etc).

So you may want to mention that in today's production meeting, that next week I plan to be coming around and spending time with them and to reassure them that my purpose is not to watch to see if there doing there jobs, but one of understanding, so that we can help the company and help them do their jobs better. I will also reassure them as well.

I think I have started the bonding process with many of my colleagues, so that will add to continue of building working relationships. I know that my involvement may slow some things down pertains the time to complete their assignments, but it is important and will have great added value in the long run not only in production, but the cultivation of working relationships, which is as equally important.

While I would like to see the start to finish of the process in linear fashion, this may not be possible depending on the production schedule next week, John and Clayton, depending on what you have going on in the production process each day next week, could you please discuss among yourselves and see what processes I can be involved with? Perhaps on Monday morning, we can meet to discuss what areas/processes would be more advantageous.

I still would like to walk through (tour the plant) again from start (scale) to finish (loading dock for shipments), before I spend time with the employees and the production processes just to provide context. So, maybe either John, Clayton, or both (depending on your schedule) can take me on a tour first thing on Monday. Also, I want to kind of check to see if we may have missed something in our meeting and documentation, so that if we are, we can give it to IFS early next week, before they are too far down the road.

c) Testing the process - I know that you are currently running tests of the various processes and doing some documentation. I would like to be included in the loop to review those test results, which will help me do my job.

If I'm not mistaken (I haven't been there all week to know), you are testing the process using the logs that we have already stacked in the piles. I'm sure you've already thought about this and may have already starting doing so, but we need to test the process and systems in "real live simulation scenarios." Which means new logs being delivered, putting them in those lots we spoke about (I think we said to segregate the hard and soft wood and use a week worth of log deliveries in one pile as a lot), so that as Clayton mentioned we can ensure that First In-First Out (FIFO) approach. It also perhaps means buying some of the fresh chips that John talked about the possibility of integrating them into the process, instead of making them, I think when making pellets.

These real life simulations, will provide the most accurate data to develop our standards for costing at every step of the process and most importantly having a handle on the spoilage (moisture content evaporation through every part of the system).

d) Spoilage - Unfortunately, IFS will not allow us to put in a range for the spoilage, so we have to come up with (through optimal testing conditions) a hard solid percentage for spoilage at each stage. The spoilage rates may be different than what we originally anticipated due to the overhaul, refurbishing, engineering, rewiring and purchasing new equipment (CapEx). If that number of spoilage is lower that is good, if it is higher it is also good. While everyone would like a lower spoilage factor, you may ask how if we find out it is a higher spoilage factor might be good?

It is good in that reporting the "real number" of spoilage helps us not only develop our standards, but goes into the factor into future estimates when trying to secure orders, to make sure we are covering our cost and making a profit. We would rather know that now, then to get down the road and discover it after we have taken orders, produced and sold product that our profitability. It may also alerts us to direct our attention to areas and process that we may need to improve on, whether

that is machinery or labor.

Finally, again we have to start somewhere and our costing system won't be perfect, but we hope it will near as perfect as we can get. Over time, volume of orders, productions and empirical data we retrieve from the metrics we will have to tweak it. I think we're off to a great start getting the plant up and operation in a little over three months after the official purchase.

I've enjoyed my stay at ETS in Colorado and the people are super. Kevin, Michelle, Beth, Casey, Chris, Vince, Pat and their entire staff's have taken good care of me while here. I couldn't ask for a greater group of people to work with, not only at ETS, but with John and the entire team at Trae-Fuels in Bumpass.

Have a good weekend everyone!

Mike

--  
Michael A. Donaldson  
Controller

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--  
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Vice President - Finance  
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# **EXHIBIT 12**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Michelle Mills  
**Sent:** 2013-12-18T17:29:08-05:00  
**Importance:** Normal  
**Subject:** Re: Paycor Time Card Shifts  
**Received:** 2013-12-18T17:29:08-05:00

Mike,

I have a call into Paycor for some clarification on this and have not heard anything back. You can go ahead and add the shift from the drop down. As of right now, I don't think there are any actual schedules attached to the different shifts.

## Michelle Mills

*Controller*

EnviroTech Services, Inc.  
Phone: 970-346-3900 ext 112  
Fax: 970-346-3959  
Email: [mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)  
*Positively Impacting People's Lives*

On Wed, Dec 18, 2013 at 12:48 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Hi Michelle:

I hope that you're having a great day.

I see that Shifts A-E are in Paycor. Can I go ahead and assign employees in the Paycor Time and Attendance System to their particular shift via the drop down?

I believe everyone is currently listed under "default."

Thanks,

Mike

--

Michael A. Donaldson  
Controller

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# **EXHIBIT 13**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Michelle Mills  
**Sent:** 2014-01-02T16:14:37-05:00  
**Importance:** Normal  
**Subject:** Re: January 2014 Supplier Invoice Entry (Period is closed)  
**Received:** 2014-01-02T16:14:37-05:00  
[image.png](#)  
[image.png](#)

Sorry about that it has changed with the upgrade. You will have to move the IL period status to Open and the RMB and open the period.

I have opened it for you.

## Michelle Mills

*Controller*

EnviroTech Services, Inc.  
Phone: 970-346-3900 ext 112  
Fax: 970-346-3959  
Email: [mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)  
*Positively Impacting People's Lives*

On Thu, Jan 2, 2014 at 1:07 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Michelle:

Thanks, I attempted to follow the procedure to open the month, but I was unsuccessful. When I right clicked on January 2014 and chose Open GL Period it gave me the following error message:

"GL Period status should be closed before status of IL Period is in closed." I clicked ok, but I don't think anything occurred.

Mike

On Thu, Jan 2, 2014 at 2:41 PM, Michelle Mills <[mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)> wrote:

Mike,

44 - Accounting Periods - Michelle Mills - Production Server - IFS Application

IFS Navigator

Accounting Rules User Related Data Accounting Periods

Shortcuts

Year: 2013 Opening Balance: First Balance Transferred Closing Balance: No Closing Balance Year Status: Open Opening Balance Consolidated: ☐

Period	Description	Valid From	Valid Until	Period Type	GL Period Status	IL Period Status	Balance Consolidated	Report From Date	Report Until Date
1	October 2013	09/1/2013	09/30/2013	Ordinary	Open	Open	No		
2	November 2013	10/1/2013	10/31/2013	Ordinary	Open	Open	No		
3	December 2013	11/1/2013	11/31/2013	Ordinary	Open	Open	No		
4	User Groups per Period...			Ordinary	Closed	Closed	No		
5	Create Periods for User Groups...			Ordinary	Closed	Closed	No		
6	Validate Transactions in Progress			Ordinary	Closed	Closed	No		
7	Close GL Period			Ordinary	Closed	Closed	No		
8	Open GL Period			Ordinary	Closed	Closed	No		
9	Close GL Period Finally...			Ordinary	Closed	Closed	No		
10	Change Company...			Ordinary	Closed	Closed	No		
11	Search in Context...			Year Closing	Closed	Closed	No		

IFS Applications (Accounting Periods)

Accounting Rules User Related Data Accounting Periods

44 - User Groups per Period				
Year:	Period:	Description:	GL Status:	IL Status:
2013	4	January 2014	Closed	Closed
+	User Group	User Group Description	GL Period Status	IL Period Status
	AC	Super Users	Closed	Closed
	ADMIN	Administration	Closed	Closed
	DC		Closed	Closed
	TECH II		Closed	Closed

This is in the same place that you close the period. Here is a screen shot. Right mouse click on Jan 2014 and then choose Open GL Period. Then choose the User Groups per period and move all those to Open.

Let me know if this does not work.

Michelle Mills

Controller

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TRAE-PROD0002445

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On Thu, Jan 2, 2014 at 12:33 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Michelle,

I touched base with Gohar about this, but she mentioned she was at home and to ask you . Could you open January 2014 (Period 4) for A/P P.O. Voucher Entry?

Thanks,

Mike

----- Forwarded message -----

From: **Gohar Wise** <[gwise@envirotechservices.com](mailto:gwise@envirotechservices.com)>  
Date: Thu, Jan 2, 2014 at 2:30 PM  
Subject: Re: January 2014 Supplier Invoice Entry (Period is closed)  
To: Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>

Hi Mike,

Happy New Year to you to. I am at home working on my portfolio project for the class I am taking. Please let Michelle know and she will open the period for you.

thanks

On Thu, Jan 2, 2014 at 7:12 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Good Morning Gohar:

I hope that you and your family had a great New Year's Holiday.

I was attempting to create a P.O. Supplier Voucher, so that I can voucher the receipts of inventory logs on 12/31/2013, so that we can cut checks tomorrow. However, Period 4 (January 2014) is closed and it won't let me back-date the voucher date to 12/31/2013.

Can you open the period for January 2014?

Thanks,

Mike

--  
Michael A. Donaldson  
Controller

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--

Michael A. Donaldson  
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Michael A. Donaldson  
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44 - Accounting Periods - Michelle Mills @ Production Server - IFS Applications

IFS Navigator

Shortcuts

Accounting Rules User Related Data Accounting Periods

44 - Accounting Periods 2 (2)

Years: 2013 Opening Balance: First Balance Transferred Closing Balance: No Closing Balance Year Status: Open Operating Balance Consolidated

Period	Description	Valid From	Valid Until	Period Type	GL Period Status	IL Period Status	Balance Consolidated	Report From Date	Report Until Date
1	October 2013	09/1/2013	09/31/2013	Ordinary	Open	Open	No		
2	November 2013	10/1/2013	10/31/2013	Ordinary	Open	Open	No		
3	December 2013	11/1/2013	11/31/2013	Ordinary	Open	Open	No		
4	User Groups per Period...			Ordinary	Closed	Closed	No		
5	Create Periods for User Groups...			Ordinary	Closed	Closed	No		
6	Validate Transactions in Progress			Ordinary	Closed	Closed	No		
7	Close GL Period			Ordinary	Closed	Closed	No		
8	Open GL Period			Ordinary	Closed	Closed	No		
9	Close GL Period Finally...			Ordinary	Closed	Closed	No		
10	Change Company...			Ordinary	Closed	Closed	No		
11	Search in Context...			Year Closing	Closed	Closed	No		
12	Edit								
13	Output								
14	Properties								

IFS Applications (accounting periods)

Accounting Rules

User Related Data

Accounting Periods



## 44 - User Groups per Period

Year:	Period:	Description:	GL Status:	IL Status
2013	4	January 2014	Closed	Closed

+	User Group	User Group Description	GL Period Status	IL Period Status
	AC	Super Users	Closed	Closed
	ADMIN	Administration	Closed	Closed
	DC		Closed	Closed
	TECH II		Closed	Closed

# **EXHIBIT 14**



**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Beth Aleman  
**Sent:** 2014-01-09T17:49:57-05:00  
**Importance:** Normal  
**Subject:** Re: New Time Card for Jonathan Saturday  
**Received:** 2014-01-09T17:49:57-05:00

good question! Let me verify it won't cause problems with payroll and I will update you with the number.  
Thanks Michael!

On Thu, Jan 9, 2014 at 2:48 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Hi Beth,  
Jonathan Saturday's time card is no longer performing adequately. What is the procedure for issuing him a new one? I think that I sent you the next few numbers. Can you assign him one of those for a new card and what shall I do with the old card that is no longer working?

Thanks,

Mike

--  
Michael A. Donaldson  
Controller

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--  
Beth Aleman PHR  
Human Resources Generalist  
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[envirotechservices](#)

# **EXHIBIT 15**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Gohar Wise  
**Sent:** 2014-01-15T10:59:02-05:00  
**Importance:** Normal  
**Subject:** Fwd: 1099 instructions  
**Received:** 2014-01-15T10:59:02-05:00

----- Forwarded message -----

**From:** **Sandra Monacelli** <[smonacelli@envirotechservices.com](mailto:smonacelli@envirotechservices.com)>  
**Date:** Thu, Jan 9, 2014 at 8:08 AM  
**Subject:** 1099 instructions  
**To:** Gohar Wise <[gwise@envirotechservices.com](mailto:gwise@envirotechservices.com)>

In IFS, type 1099 in the navigator field, click on report, select the date range, print.

Once you have the report, I check each one to make sure all the information is there and correct. I verify the amount showing on the report is the same as what is in IFS. To do this, I go to supplier check, enter the supplier number, enter >12/15/2012 to make sure I capture all information, then verify the amounts.

Let me know if you need anything else.

Have an awesome day.

**Sandra Monacelli**  
**Accounting Tech II**  
**Envirotech Services, Inc.**  
**Tel. 970.346.3900 ext 115**  
**Fax: 970.346.3959**

*"And so my fellow Americans, ask not what your country can do for you; ask what you can do for your country"*  
*-John Fitzgerald Kennedy (1961-1963)*

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# **EXHIBIT 16**

**To:** Michael Donaldson[mdonaldson@traefuels.com]; Gohar Wise[gwise@envirotechservices.com]  
**Cc:** Vincent LaBarbera[vlabarbera@envirotechservices.com]; Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Michelle Mills  
**Sent:** 2014-02-18T18:57:38-05:00  
**Importance:** Normal  
**Subject:** Re: UMB International Wires  
**Received:** 2014-02-18T18:57:38-05:00

Mike,  
I think Gohar received the same type of error and we just called them in since we don't do a whole lot of international wires. We do the ACH side online, but we call in the wires.

Thanks

## Michelle Mills

*Controller*

EnviroTech Services, Inc.  
Phone: 970-346-3900 ext 112  
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On Tue, Feb 18, 2014 at 1:40 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Hi Michelle:

Are you able to process international wires on the UMB site? I attempted on Friday (Friday, I had them verbally take the wire info over the phone) and today, but I'm unable to do so. I get the following message:

*This application only supports the following browsers:  
Internet Explorer 8.0.x and 9.0.x with minimum 128-bit encryption  
Firefox latest version with minimum 128-bit encryption*

We have Internet Explorer 11, which UMB says is incompatible (speaking with their help-desk technical support department). We attempted a few options, but it did not work. I would guess that ESI has E11 also, but I'm wondering if it is remote connection?

I guess I will have to call the wire in verbally tomorrow, as they do not take calls after 2:00 PM Central time, even for the subsequent day.

Thanks,

Mike

--

Michael A. Donaldson  
Controller

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Mobile: (540) 642-3858

TRAE-PROD0004613

Fax: (540) 205-2455

E-mail: mdonaldson@traefuels.com

# EXHIBIT 17

**To:** Beth Aleman[baleman@envirotechservices.com]  
**From:** Michael Donaldson  
**Sent:** 2014-03-18T18:19:24-04:00  
**Importance:** Normal  
**Subject:** Re: New Pay Rate Form's for Kevin Serum, Jerry Mills and Donald Anderson  
**Received:** 2014-03-18T18:19:24-04:00  
[Kevin Serum - Pay Rate Form 03182014.pdf](#)  
[Jerry Mills - Pay Rate Form 03182014.pdf](#)  
[Donald Anderson - Pay Rate Form 03182014.pdf](#)

Beth,  
Please find attached the supporting documentation for the pay rates of the new hires:

Kevin Serum  
Jerry Mills  
Donald Anderson

Although, you may already have the rates John had to sign the forms and John just returned them to me in the last 30 minutes today.

Thanks and have a wonderful day!

Mike

--

Michael A. Donaldson  
Controller

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# **EXHIBIT 18**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Beth Aleman  
**Sent:** 2014-03-20T16:53:13-04:00  
**Importance:** Normal  
**Subject:** Re: Kevin Serum - Med, Dental, Vision Enrollment Forms  
**Received:** 2014-03-20T16:53:13-04:00

Good. thanks.

On Thu, Mar 20, 2014 at 1:51 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Beth,

Here are the benefits forms for Kevin Serum. I had sent them to you on March 5, 2014

----- Forwarded message -----

**From:** Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>  
**Date:** Wed, Mar 5, 2014 at 7:41 AM  
**Subject:** RE: Kevin Serum - Med, Dental, Vision Enrollment Forms  
**To:** Beth Aleman <[baleman@envirotechservices.com](mailto:baleman@envirotechservices.com)>

Beth,

Here are the benefit enrollment forms for Kevin Serum

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

--

Michael A. Donaldson  
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--

Beth Aleman PHR  
Human Resources Generalist  
EnviroTech Services, Inc

TRAE-PROD0005958

910 54th Ave, Suite 230  
Greeley, CO 80634  
970-346-3904

Website: [www.envirotechservices.com](http://www.envirotechservices.com)  
Twitter:

[@envirotechsvcs](#)  
Facebook:

[envirotechservices](#)

# EXHIBIT 19

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2013-12-27T18:14:56-05:00  
**Importance:** Normal  
**Subject:** Re: Revised: October 2013 I/S and B/S for Trae-Fuels  
**Received:** 2013-12-27T18:14:56-05:00

Sounds good. I have put a call into Dennis to make sure that the 50% bonus applies on improving used assets. I believe that the assets from last year were considered mostly used assets, so the bonus did not apply. As you mentioned, we can do an adjustment later if needed.

After looking through this everything looks pretty good. We will need to reclassify the loss from last year to the member capital accounts, but I will have to determine how to do this, as the 3450 account is a calculated account, so we cannot do a JE to this account. I have not had to do this yet in IFS as ESI is a C-corp, so we will have to research this.

Thanks,

Kevin

On Fri, Dec 27, 2013 at 2:30 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Kevin:

I have made the AJE for the October 2013 Depreciation to reflect exactly \$3,693.10 as you mentioned. Please find attached the revised October 2013 Financials.

Mike

--

Michael A. Donaldson  
Controller

Trae-Fuels  
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Bumpass, VA 23024  
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Fax: [\(540\) 205-2455](tel:(540)205-2455)  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

--

Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

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# **EXHIBIT 20**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-01-07T18:24:03-05:00  
**Importance:** Normal  
**Subject:** Re: Closing the November 2013 G/L Period  
**Received:** 2014-01-07T18:24:03-05:00

Yes, I looked them over, and they looked good to me.

Thanks,

Kevin

On Tue, Jan 7, 2014 at 2:05 PM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Hi Kevin,

Please let me know after you've reviewed the financials and if everything is OK, then I will formally close the period.

Thanks,

Mike

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office:  [\(540\) 205-2440](tel:(540)205-2440) Ext# 102  
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Fax:  [\(540\) 205-2455](tel:(540)205-2455)  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

--

Kevin C. Whyrick  
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# **EXHIBIT 21**



**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**Cc:** Michelle Mills[mmills@envirotechservices.com]; John Frink[jfrink@traefuels.com]; Chris LaRocco[clarocco@envirotechservices.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-02-18T11:47:37-05:00  
**Importance:** Normal  
**Subject:** Re: January 2014 - Reclassification of Labor and Electricity Cost  
**Received:** 2014-02-18T11:47:37-05:00

This all sounds good to me. I agree that we will need to create these new COGS accounts, and will likely need to add more COGS accounts for various other items that are a part of production. Anything you can do to more accurately track labor will surely help in allowing us to determine whether we have correctly costed our MFG process as we get going and into full production.

If you and Michelle could get together to add the correct accounts needed.

Thanks,

Kevin

On Tue, Feb 18, 2014 at 7:54 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Good Morning,

I've estimated based on production logs that the pellet mill did not produce at all for 18 days of the 31 days in January 2013. The remaining 13 days, production was also spotty, in some cases starting up and shutting down due to problems. So, if we allow for 1/2 days of production that will leave us with 1 week of full-production.

I think perhaps a safe estimate might be to back out 75% (3 weeks of payroll) direct labor (49,859.27) and indirect labor (\$10,374.54) out of COGS to below the line (which we'll need new accounts for as Kevin mentioned to be able to close January 2013). This reclassification will give us change COGS from \$171,097.53 to \$110,863.72 (\$171,097.53 - \$49,859.27 - \$10,374.54), thus making Gross Margin on Sales (Actual) at 11.29%.

We had a lot of overtime in weeks, that production ramped up after being down to fulfill orders (In Dec 2013 Gross Labor total - Production, SGA - was 75K vs 119K in January 2014).

We also need to reclass a portion of electricity from below COGS line, to above COGS to capture actual electricity used in production. We have the meters broken out via Pellet Mill, Chip Mill, Scale House, Maintenance bldg and water shed.

For January 2014, we booked \$85,142.03 in electricity (\$57,164.93 - January 2014 and \$27,801.47 - December 2013). We did not accrue the 27K in December, as we did not have the bill, production was almost non-existent and had no way to realistically estimate it.

So, this is what we need to reclass for Electricity in January (need new accounts in 5000 series in COGS),

December 2013 - Pellet Mill Meter - \$19,291.13  
 January 2014 - Pellet Mill Meter - \$46,023.47

Total Pellet Mill \$65,314.60

December 2013 - Chip Mill \$6,644.77  
 January 2014 - Chip Mill \$8,920.34

Total Chip Mill \$15,565.11

This takes COGS from \$171,097.53 currently to \$191,743.43 (\$171,097.53 - \$49,859.27 - \$10,374.54 - direct & ind labor + \$65,314.60 + \$15,565.11 - pellet mill and chip mill electricity).

TRAE-PROD0004509

Due to the fact that overtime pay was being used for production of product is one of the factors that most likely impaired the Gross Margin. Then having Dec 2013 electricity in January also have a minor role, with the addition of low production to cover fixed costs, etc.

In short, we will need the GL Account creation of electricity in the 5000 series and then another direct & indirect labor account below the line in 6000, for non-production labor & indirect labor.

Kevin/Michelle, I'm not sure what you want to do about the fringe benefits items in 6000 series. In most Cost Accounting scenarios I believe, fringe benefits for production workers are included in COGS as actual. In my labor calculation that came up to \$7.99 per ton, included 35% of wages for fringe benefits, but we used Chris LaRocco's \$8.26 for direct labor to have a cushion for new hires, etc.

I think that just like with the plant this will be a "tweaking process" or WIP. However, I'm glad that we are taking the time in the very first month of real production to ask these questions and analyze and make appropriate adjustments.

I think we should think about how to improve on calculating actual labor on the jobs in the production floor. There are some systems that can be utilized to capture this data. Again, this is a WIP item. When we can capture actual time on the job, we can then calculate labor efficiency variances, as well as more true GM's.

If you like to have a conversation before Michelle creates accounts and reclasses are done, I'm open today. I would like to officially close out January 2014 today, if possible. We are not booking and more A/P to January, so it's just a matter of making these few JE's.

Thanks,

Mike

--  
Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
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--  
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# **EXHIBIT 22**

**To:** Roger Knoph[rknoph@envirotechservices.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-04-01T16:22:15-04:00  
**Importance:** Normal  
**Subject:** Fwd: April 2014 Cash Flow Projections  
**Received:** 2014-04-01T16:22:15-04:00  
Cash Flow Projection - April 2014.xlsx

FYI, here is the cash projections for April. This is conservative, and does not include any additional revenues above what were done in March. This also does not include the second equipment loan that I asked you to sign.  
Thanks,

Kevin

----- Forwarded message -----

**From:** **Michael Donaldson** <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>  
**Date:** Tue, Apr 1, 2014 at 1:12 PM  
**Subject:** Re: April 2014 Cash Flow Projections  
**To:** Kevin Whyrick <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)>

Kevin,  
Please find attached my Cash Flow Projection for April 2013.

Basically, my position is more conservative with Cash inflows and more liberal with Cash Outflows.

Cash Inflows only include March sales due to paid in April and only the P.O.'s we have right now that has been released by International Forest Products based on what Fran has told me (44 trucks @3410.00 per truck). Now of course there may be more orders for IFP in April to take all of the production, but YOU NEVER CAN COUNT ON MAYBE'S (smile).

Cash Outflows are based on March 2014 and I've adjusted down for one-time expenditures where we are not going to pay (e.g. Lowell IDPC was \$230K in March and other vendors). Payroll outflows are based on March 2014 actuals, but there was some significant overtime that John is attempting to scale back, so we might have a pick up there, but YOU CAN NEVER COUNT ON MAYBE's (smile).

In conversations with John, there are no capital expenditures planned in April.

Hope this helps and if you have any questions feel free to e-mail or call.

Mike

--  
Michael A. Donaldson  
Controller

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1376 Fredericks Hall Road  
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--  
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# **EXHIBIT 23**

JHH Kimmel Cancer Center Viragh  
201 N Broadway  
Viragh Bldg 5th Fl  
Baltimore MD 21287-0031  
410-955-8964  
Fax: 410-367-2194



February 13, 2019

To Whom It May Concern:

My patient Michael Donaldson DOB 09/24/1958 was diagnosed with pancreatic cancer. He started GTX-C chemotherapy on 7/3/2014 and responded remarkably well. He continued to work until his termination 8/20/2014. On 1/5/15, he went to resection with distal resection with splenectomy and left adrenalectomy. The patient then had a port placed 2/20/2015 and restarted GTX-C chemotherapy that continued from 2/27/2015 - 06/23/2015. Below is an outline of the patients diagnosis, treatment, and current status.

**Pathology indicated**

2.5 cm moderately differentiated adenocarcinoma tail of pancreas, with 6 of 8 lymph nodes positive for metastatic carcinoma. Margins negative. Venous/lymphatic invasion indeterminate. Perineural invasion negative.

YpT2; ypN1, Stage 2 b

**Additional pathology findings:**

Chronic pancreatitis

Amyloid deposits in islets, focal (Congo red)

Calcifications

Left adrenal and spleen: Negative for tumor.

**Response to neoadjuvant therapy:**

Grade 2 (moderate response/residual cancer outgrown by fibrosis)

2/20/15 port placed for chemotherapy administration.

Mr. Donaldson to receive same chemotherapy as adjuvant therapy as he received before surgery.

Mr. Donaldson received six cycles prior to surgery, and will begin the first of six cycles of adjuvant therapy starting with cycle #7 day 4 on on 2/24/15.

Gemcitabine 500 mg/m<sup>2</sup> IV over 50 minutes on Days 4 and 11

Taxotere 20 mg/m<sup>2</sup> IV on Days 4 and 11

Cisplatin 20 mg/m<sup>2</sup> IV on Days 4 and 11

Xeloda 500 mg BID orally Days 1-14.

Each cycle is 21 days.

On 4/27/15, CT scan of the abdomen, chest, and pelvis impression:

**Chest:**

1. No suspicious pulmonary nodule or thoracic lymphadenopathy.

2. Small soft tissue nodule right inferior anterior chest wall, increased in size since the prior study. This is of uncertain etiology and

RE: Donaldson, Michael (JH75680826)

Page 1 of 2



significance. Attention on followup is recommended.

Abdomen and pelvis:

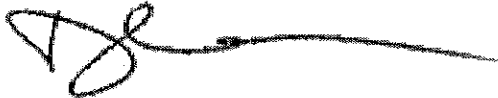
1. Postsurgical changes from prior distal pancreatectomy, splenectomy, and left adrenalectomy. Interval development of a 5.2 x 5.9 cm well-defined fluid attenuation lesion adjacent to the head/neck of the pancreas most likely representing a pseudocyst or postoperative fluid collection.
2. Unchanged small nonocclusive thrombus of the proximal extrahepatic main portal vein.
3. Tiny ventral wall fluid collection, likely postoperative and too small for drainage.

Restarted GTX 2/24/15 and ended 6/23/15.

6/2015 CT stable, 1/4/16 CT stable, 8/2016 CT stable. Varices mentioned, 8/29/16 EGD no varices, 11/7/16 CT stable, 2/6/17 CT stable, 8/7/17 CT stable, 2/5/18 CT stable, 8/6/18 CT stable.

I plan to see my patient on 5/6/2019 with repeat imaging. He continues to do very well and is approaching 5 years as pancreatic cancer survivor. If you need any other information please contact my medical office coordinator Christopher Stauffer at 410-502-3906.

Sincerely,

A handwritten signature in black ink, appearing to be 'Dung Le', with a long horizontal flourish extending to the right.

Dung Le, M.D.

# **EXHIBIT 24**

From: Medical Records Page: 2/4

Date: 5/21/2014 3:32:44 AM

200130  
pui

Mary Washington Healthcare

NAME: Donaldson, Michael A  
 CONSULTATION DATE:  
 ADMIT DATE: 05/19/2014  
 CONSULTING: Anh Pham, PA

MRN: 22-27-75-44  
 ACCOUNT#: 006221697320  
 LOCATION: 4NOR4027-N  
 FACILITY: Mary Washington

PRIMARY GASTROENTEROLOGIST: John Carl Spivey, MD

CONSULTING GASTROENTEROLOGIST: John Carl Spivey, MD.

REASON FOR CONSULT: Pancreatitis.

HISTORY OF PRESENT ILLNESS: This is a 55-year-old male who recently was diagnosed with pancreatic local invasive adenocarcinoma. He was seen in Dr. Essig's office yesterday to establish plan of treatment and was noted to be febrile. He was sent directly to the ER for evaluation of possible underlying infection. In the urine, his lipase was greater than 10,000. He denies GI symptoms including abdominal pain, nausea, vomiting, diarrhea, or bloody or black stool. He also had a history of GI bleeding secondary to esophageal ulceration requiring multiple units of packed red blood cells. His temperature was 100 on Advil, and this morning, it was 98.4 at 6:36 a.m. His WBC was 7.13. His hemoglobin and hematocrit were 8.6 and 27, which are slightly lower, but no significant active GI bleeding. He had a CT with stable pancreatic mass with mets.

REVIEW OF SYSTEMS: All systems reviewed with pertinent positive and negative as stated in the HPI.

PAST MEDICAL HISTORY: Hyperlipidemia, GERD, diabetes, and pancreatic local invasive adenocarcinoma.

PAST SURGICAL HISTORY: Dental surgery, eye surgery.

ALLERGIES: No known drug allergies.

SOCIAL HISTORY: Denies alcohol or illicit drugs. No cigarettes.

HOME MEDICATIONS: Vitamin D3, vitamin B12, fish oil, lisinopril 5 mg half tablet p.o. daily, metformin 500 mg 1 tab p.o. b.i.d., Centrum Silver, pantoprazole 40 mg 2 tabs p.o. daily before breakfast, and simvastatin 40 mg 1 tab p.o. daily.

FAMILY HISTORY: Unremarkable for any GI diseases.

PHYSICAL EXAMINATION: VITAL SIGNS: Temperature 98.6, blood pressure 123/68, pulse 94, respiration 18, oxygen saturation 95% on room air. GENERAL: Alert and oriented x3, no acute distress. HEENT: Head is normocephalic, atraumatic. Sclerae anicteric. NECK: Supple. No lymphadenopathy. CHEST: Clear to auscultation bilaterally. CVS: S1, S2 present. Regular rate and rhythm. ABDOMEN: Positive bowel sounds. Soft, nontender, and nondistended. EXTREMITIES: No edema. PSYCHIATRIC: No obvious mood disturbances noted.

## CONSULTATION

Page 1 of 2

PHYSICIAN COPY FOR: John Spivey, MD

This fax was received by GFI FaxMaker fax server. For more information, visit: <http://www.gfi.com>

DONALDSON 00180

From: Medical Records Page: 3/4

Date: 5/21/2014 3:32:44 AM

Name: Donaldson, Michael A  
MRN: 22-27-75-44

LABORATORY AND DIAGNOSTIC EVALUATION; BUN 7, creatinine 0.7. GFR is greater than 60. Lipase greater than 10,000. LFTs normal. WBC was 11.03, now at 7.13. Hemoglobin and hematocrit 8.6 and 27. They were 10 and 32 yesterday. INR 1.1. CT of abdomen and pelvis with stable-appearing pancreatic mass, presumably carcinoma with metastasis to region of lymph nodes in the peritoneal wall. \_\_\_\_\_ vein thrombosis.

ASSESSMENT AND PLAN: This is a 55-year-old male with history of pancreatic cancer and GI bleeding secondary to esophageal ulcers, presents with fever. He has no symptoms at this time. His lipase is greater than 10,000, but he has low-grade fever with no significant leukocytosis. Etiology questionably secondary to infectious process versus tumor. We also need to rule out early abscess. We suggest continuing antibiotics, clear liquid diet, and waiting culture to return.

This case has been discussed with and the patient seen by Dr. John Spivey. We appreciate your request for our involvement in the care of this patient.

D: 05/20/2014 05:12 P BY 021122 / T: 05/20/2014 06:02 P I: 05/20/2014 08:23 P  
J: 611627928/ S: 1833620 SPH-E: 611627928  
wb/12288376

\*Unreviewed-Electronic Signature  
Document on-line

Anh Pham, PA

John Spivey, MD

cc: Tokzhan Kairatovna Clay, MD  
Anh Pham, PA  
John Spivey, MD

CONSULTATION

Page 2 of 2

PHYSICIAN COPY FOR: John Spivey, MD

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DONALDSON 00181

## Lab Order

**Pathology**

MICHAEL A. DONALDSON

**Final, Reviewed****Diagnosis:**

Ordered by CHETAN PAI, D.O. on 5/2/2014 (Routine)

Collected on 5/2/2014 1:41 PM

Reported on 5/6/2014 9:51 AM (LAB)

Reviewed by CHETAN PAI, D.O. on 5/6/2014 12:32 PM

Test Name	Result	Units	Normal Range	Status
CPRpt	See Note			Final, Reviewed

**Note:**

Specimen #FNA14-465  
 Patient Name: DONALDSON, MICHAEL A  
 MR#: 22277544  
 DOB: 9/24/1958  
 Date of Service: 5/2/2014  
 Date Received: 5/2/2014  
 Date Reported as Final: 5/6/2014  
 Physician: PAI, CHETAN B  
 Source: FNA of Pancreas

CLINICAL DIAGNOSIS  
 Pancreatic mass

FINAL PATHOLOGIC DIAGNOSIS  
 Pancreas, mass, fine needle aspiration, cytology.  
 Positive for malignant cells characteristic of well  
 differentiated adenocarcinoma.

\*\*\*Electronically Signed Out By Dudley A. DuPuy, Jr., M.D.\*\*\*  
 Date Reported: 5/6/2014

**MACROSCOPIC DESCRIPTION**

Received are several drops of bloody fluid from twelve passes of an  
 endoscopic ultrasound guided fine needle aspiration of a pancreatic  
 mass performed by Dr. Pai.

Twelve air-dried smears, ten alcohol fixed smears and needle rinses in  
 Hank's solution processed into a cell block.

If applicable, all available clinical lab results for this material  
 (i.e. hematology, chemistry and microbiology) are reviewed for  
 correlation with cytologic findings.

**INTRAOPERATIVE CONSULTATION**

Immediate Interpretation: The specimen appears to be nondiagnostic  
 based on an immediate review of the air-dried smears only. (spw)

**MICROSCOPIC DESCRIPTION**

The fine needle aspiration shows tumor cellularity and consists of  
 numerous groups with nuclear overlap and slightly increased N:C  
 ratios. The overall cytology is relatively bland, however, cells with  
 enhanced atypia and increased N:C ratios are present. The cell block  
 shows numerous cell groups showing findings characteristic of an  
 adenocarcinoma. Limited immunohistochemical stains were performed to  
 further evaluate this process. The tumor cells are positive for  
 Cytokeratin 7, negative for Cytokeratin 20 and negative for TTF-1.

11/15/2018 08:00 am

Allscripts Professional EHR 17.1.2

Allscripts

Page 1/2

DONALDSON 00182

### Lab Order

Chromogranin is negative while Synaptophysin shows nonspecific focal blush staining in the tumor cells. The findings do not suggest neuroendocrine differentiation. The findings are most in keeping with a well differentiated adenocarcinoma consistent with a pancreatic primary. Drs. Workman and Geyer have both reviewed this case and agree with this interpretation. {{END OF REPORT}}

The immunohistochemical test(s) performed at Mary Washington Hospital, Department of Pathology may or may not be cleared or approved by the U.S. Food and Drug Administration. The FDA has determined that such clearance or approval is not necessary. This test is used for clinical purposes. It should not be regarded as investigational or for research. This laboratory is certified under the Clinical Laboratory Improvement Amendments of 1988 (CLIA) as qualified to perform high complexity clinical laboratory testing. All immunohistochemical/cytochemical stains (IHC) are performed on separate slides per different antibody unless otherwise specified in the documentation that a cocktail (multiple stain) was performed.

Performing Lab

see note

Final, Reviewed

**Note:**

MWH -  
Mary Washington Hospital, 1001 Sam Ferry Blvd, Fredericksburg, VA, 22401, Phone: 540-741-1130, Fax: 540-741-4000

# **EXHIBIT 25**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-05-20T11:40:14-04:00  
**Importance:** Normal  
**Subject:** Re: Executive Team Joint Management meeting Wed May 28th - prepared to set company Wigs and leading indicators!  
**Received:** 2014-05-20T11:40:14-04:00

Do they think it is pancreatitis?

Also, just so you know, we are working on getting you some help from Account Temps in Richmond. We talked to them this morning, and are looking to get a hands on controller with some MFG experience, that could come in part time to help you while you are going through this. We could have them come in a few days a week all day to help. We are going to talk to them again tomorrow and they are supposed to have some candidates for us to review. Please think about the areas that you could use help with. This person should be qualified enough that they could help with both day to day and financial stuff. Maybe payroll, projects, journal entries, etc.

Let me know what you think. We could probably have someone in there early next week, but we would need you there to get them up to speed.

Thanks,

Kevin

On Tue, May 20, 2014 at 8:29 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Kevin,

Thank you. I'm not certain right at the moment when I'll be back in the office. I feel good, but awaiting doctors instruction. I promise as soon as I know, I will communicate this to you. We talked about production and was between the thought of 75,000- 95,000 tons account g for seasonal fluctuations and of course the weather. Sales again awaiting Christian who has Been In The Office. The estimations should be based on realistic sales and not hope. While we say we are sold out, unless we have inked contracts I'm a little hesitant to overestimate the sales. Supposedky, we have more sales opportunities than we can meet, production wise. However, I think we should meet in the middle somewhere based on realistic production goals. For instance weve never made 5,000, but this month ahould be our best month. I believe both production and sales will be incremental Maybec 2500 or 3000 this month ( I haven't xhexked production the last few days), then maybe 3500-4000, then 4500-5000 and then 6000 and above. In winter months it will be less. The production capacity ultimately drives the sales volume. Again, as soon as I hear from The doctor ill let you know

On May 20, 2014 9:44 AM, "Kevin Whyrick" <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)> wrote:

I think it makes most sense for the four of you (John, Clayton, Christian and You) to sit down and put this together, as that represents most areas within Trae. If Christian is not around, then at a minimum I would think that you, John and Clayton could put this together. I am requesting a preliminary projection and I would request that you do this as soon as possible, since I will need this to complete the view of the entire company for next weeks meetings. I know that everyone is busy trying to get production up, but these kinds of things are what a management team should also be working on. If everyone is busy working down in the engine room, then there will be no one steering the ship:) As for the liability of the numbers, these should be numbers that the team thinks that Trae can hit, and it should be the responsibility of the Trae management team to ensure that they are achieved.

I know that you have been out with your health issues. When do you think you will be back in the office to get the team together to work on this?

Thanks,

Kevin



On Tue, May 20, 2014 at 7:17 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Hi Kevin,

I've had some initial conversations with John, Christian and Clayton. With any budget you start with sales. I've been asked Christian to provide an excel worksheet with sales by month for over two weeks which I haven't got yet. He seems not to like or follow through with requests for documentation including set up of customers etc for any of us, but he's a good sales person. John and I were going to sit down also but never was able to do so. In short, I do not have the numbers available which I apologize for. On side note my approach will be conservative in revenues and production given the over estimations and more liberal in expenses. The question that while I think we will reach a consensus on the numbers I ultimately have to convey the wishes of management. Will I personally be liable for reaching the estimations reported?

On May 16, 2014 4:59 PM, "Kevin Whyrick" <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)> wrote:

Folks,

I wanted to follow up on my last email from Friday the 9th to remind everyone that we need to have the preliminary numbers for the regions and SBU's contribution toward the WIG of \$100 million in revenue and 7.5% profit after tax by Tuesday of next week. This will give me a few days to put together these numbers as a whole to see if they will get us to this goal. This needs to include all three regions, Pines and Trae-Fuels numbers.

Again, please let me know if you have any questions regarding this. We will be having this discussion at this month's joint meeting.

Thanks,

Kevin

On Fri, May 9, 2014 at 2:02 PM, Kevin Whyrick <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)> wrote:

Folks,

As Roger mentions we need to understand what each region and business unit will need to accomplish in order to meet the \$100 million and 7.5% Profit After Tax WIG. This will require each region and business unit to understand what this means in revenue growth, gross profit margins, expense to sales, etc. I sent an email a couple of weeks ago asking that everyone start putting these projections together for 2015. The last 2015 projections that I have were from 2 1/2 years ago, and does not accurately reflect the regions and business units that are in our company today. We will need to have this preliminary information available, at the latest, by the week of May 19th, so that I can put this together and see how the combined numbers look in comparison to the WIG.

If I can get this info from you by the 19th or 20th, then I can come to the joint meeting with recommendations as to whether the combined numbers meet or exceed the goal. This would allow everyone to go back and determine where we need to focus and tweak if needed.

I know that we are just starting the budget season for 2015, so this will require some estimating to determine what these numbers will look like, but we should be far enough in the year to know what those will need to be in each region and SBU.

Please let me know if you have any questions, or need my help to determine where your regions or SBU stands through Mar-14.

A few things to keep in mind. We have agreed that we want to keep the expense growth to 4% or less next year overall as a combined company. Also, please remember to account for divisions that are within a region (i.e. ESI Commercial & Tire Ballast).

We will need to come in with overall margins that exceed 33.5% and expense to sales at 16% or lower in order to accomplish the bottom line goal. My recommendation is that we work to exceed these gross profit and expense goals, as there are always obstacles in any given year to over come. This year was a good example in that we had more freight costs than normal to meet the winter demand.

One last thought, please keep in mind the abnormal revenue from this last winter when projecting. This will need to be normalized, as there are definitely parts of the country that probably will not get as strong a winter as we seen last year.

Thanks,

Kevin

On Mon, May 5, 2014 at 2:48 PM, Roger Knoph <[rknoph@envirotechservices.com](mailto:rknoph@envirotechservices.com)> wrote:

I thought that it would be good to send out an email ahead of time to make sure we are all on the same page in preparing for setting the companies WIG's and Leading indicators on May 28th with the help of Jeffery Downs. Currently there is still some evaluation going on to make sure that in setting our WIGS that they are a stretch yet attainable. From what has been discussed at this stage is our two WIG's will be:

- 1) Surpassing the \$100 million dollar milestone as a company before the end of next year!

- 2) Doing 10% of our revenue (\$10 Million) in new products that are less then 5 years old before the end of next year!

These WIG's are still being researched that they are reachable yet a stretch for us to accomplish. It's important that in preparing for us to finalize this and to create what our Leading Indicators will be that we all come prepared for the meeting on May 28th. That each Region / Business Unit will know clearly what it is they must accomplish in their area to insure that as a company we will surpass our goal overall. It is also important that each Region / Business Unit to have thought out and tested what the leading indicators are to achieve and how we will measure them to insure we will hit our goals and that this is graph-able on a weekly basis to keep the momentum going to insure we stay focused in hitting our goals!

These will be major milestones for us to hit as a company and worth celebrating when we do, lets do a great job in getting prepared by understanding what we must accomplish by when to insure we surpass our biggest milestones ever! It's important that us as the leaders of the company do a great job in preparing for this journey by helping our people understand what we need to accomplish on a daily basis to insure we surpass our wildest dreams!

--

Thank you,

*Roger Knoph*  
EnviroTech Services Inc.  
910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office Phone 970-346-3900  
Cell Phone 970-396-0168  
PEOPLE HELPING PEOPLE IMPROVE THEIR ENVIRONMENT

--

Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office: (970) 346-3900

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--  
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# **EXHIBIT 26**

**To:** Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Michael Donaldson  
**Sent:** 2014-05-20T12:46:19-04:00  
**Importance:** Normal  
**Subject:** Re: Executive Team Joint Management meeting Wed May 28th - prepared to set company Wigs and leading indicators!  
**Received:** 2014-05-20T12:46:19-04:00

Hi Kevin,

Yes, the cat scan shows its pancreatitis. Great fully I've never been in pain or nor am I now. They think the fever was cause by this and giving me antibiotics.

Yes, I talked to John on yesterday and I believe that is a good move to get someone to help out from Robert Half. I'm more than willing to train so there will be continuity for Trae-fuels regardless of the ultimate outcome. The doctor came in and she said I'll be here for at least one more day. I feel fine though

On May 20, 2014 10:40 AM, "Kevin Whyrick" <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)> wrote:

Do they think it is pancreatitis?

Also, just so you know, we are working on getting you some help from Account Temps in Richmond. We talked to them this morning, and are looking to get a hands on controller with some MFG experience, that could come in part time to help you while you are going through this. We could have them come in a few days a week all day to help. We are going to talk to them again tomorrow and they are supposed to have some candidates for us to review. Please think about the areas that you could use help with. This person should be qualified enough that they could help with both day to day and financial stuff. Maybe payroll, projects, journal entries, etc.

Let me know what you think. We could probably have someone in there early next week, but we would need you there to get them up to speed.

Thanks,

Kevin

On Tue, May 20, 2014 at 8:29 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Kevin,

Thank you. I'm not certain right at the moment when I'll be back in the office. I feel good, but awaiting doctors instruction. I promise as soon as I know, I will communicate this to you. We talked about production and was between the thought of 75,000- 95,000 tons account g for seasonal fluctuations and of course the weather. Sales again awaiting Christian who has Been In The Office. The estimations should be based on realistic sales and not hope. While we say we are sold out, unless we have inked contracts I'm a little hesitant to overestimate the sales. Supposedky, we have more sales opportunities than we can meet, production wise. However, I think we should meet in the middle somewhere based on realistic production goals. For instance weve never made 5,000, but this month ahould be our best month. I believe both production and sales will be incremental Maybe 2500 or 3000 this month ( I haven't xhexked production the last few days), then maybe 3500-4000, then 4500-5000 and then 6000 and above. In winter months it will be less. The production capacity ultimately drives the sales volume. Again, as soon as I hear from The doctor ill let you know

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TRAE-PROD0007927

As for the liability of the numbers, these should be numbers that the team thinks that Trae can hit, and it should be the responsibility of the Trae management team to ensure that they are achieved.

I know that you have been out with your health issues. When do you think you will be back in the office to get the team together to work on this?

Thanks,

Kevin

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Thanks,

Kevin

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A few things to keep in mind. We have agreed that we want to keep the expense growth to 4% or less next year overall as a combined company. Also, please remember to account for divisions that are within a region (i.e. ESI Commercial & Tire Ballast).

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Thanks,

Kevin

On Mon, May 5, 2014 at 2:48 PM, Roger Knoph <[rknoph@envirotechservices.com](mailto:rknoph@envirotechservices.com)> wrote:

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Currently there is still some evaluation going on to make sure that in setting our WIGS that they are a stretch yet attainable. From what has been discussed at this stage is our two WIG's will be:

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These will be major milestones for us to hit as a company and worth celebrating when we do, lets do a great job in getting prepared by understanding what we must accomplish by when to insure we surpass our biggest milestones ever!

It's important that us as the leaders of the company do a great job in preparing for this journey by helping our people understand what we need to accomplish on a daily basis to insure we surpass our wildest dreams!

--

Thank you.

*Roger Knoph*  
EnviroTech Services Inc.  
910 54th Avenue, Suite 230

TRAE-PROD0007929



Greeley, CO 80634  
Office Phone 970-346-3900  
Cell Phone 970-396-0168  
PEOPLE HELPING PEOPLE IMPROVE THEIR ENVIRONMENT

--

Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

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# **EXHIBIT 27**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Fran Holliday  
**Sent:** 2014-05-29T12:50:09-04:00  
**Importance:** Normal  
**Subject:** Fwd: Brenda's Schedule  
**Received:** 2014-05-29T12:50:09-04:00

FYI



Fran Holliday  
Office Manager  
540 205-2440 (office)  
540 205-2455 (fax)  
540 642-2727 (cell)  
[fholliday@traefuels.com](mailto:fholliday@traefuels.com)  
[www.traefuels.com](http://www.traefuels.com)

----- Forwarded message -----

**From:** Kevin Whyrick <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)>  
**Date:** Tue, May 27, 2014 at 2:46 PM  
**Subject:** Re: Brenda's Schedule  
**To:** Fran Holliday <[fholliday@traefuels.com](mailto:fholliday@traefuels.com)>

I told them that we were looking for 3 to 5 days a week, both while Mike was here and away. The key is to get her up to speed quickly, so that when Mike is away she can step in.  
You guys will have to determine how often you need her, and whether the budget supports it. I think that she is willing to work more often than the 3 days a week. I told Account Temps that this will be changing as we go, since we do not fully know the extend of Mike's treatments and how long/often he will be gone.

Thanks,

Kevin

On Tue, May 27, 2014 at 11:51 AM, Fran Holliday <[fholliday@traefuels.com](mailto:fholliday@traefuels.com)> wrote:

Kevin,

John would like to know what is Brenda's schedule and if she is to be here everyday or are we to have her work only in Michael is absence?

Thanks



Fran Holliday  
Office Manager  
540 205-2440 (office)  
540 205-2455 (fax)  
540 642-2727 (cell)  
[fholliday@traefuels.com](mailto:fholliday@traefuels.com)  
[www.traefuels.com](http://www.traefuels.com)

--

Kevin C. Whyrick  
Vice President - Finance

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# **EXHIBIT 28**

**To:** Chris LaRocco[clarocco@envirotechservices.com]  
**Cc:** Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Beth Aleman  
**Sent:** 2014-06-09T12:26:25-04:00  
**Importance:** Normal  
**Subject:** Re: Michael Meeting  
**Received:** 2014-06-09T12:26:25-04:00  
M. Donaldson Meeting-6-4-2014 in Bumpass.doc

Attached is my write-up of the visit with M. Donaldson.  
Beth

On Mon, Jun 9, 2014 at 5:56 AM, Chris LaRocco <clarocco@envirotechservices.com> wrote:

Beth:

Is there a standard form that I need to complete for your file?

On Fri, Jun 6, 2014 at 5:05 PM, Kevin Whyrick <kwhyrick@envirotechservices.com> wrote:

Hi Beth,

I was thinking, and wanted to make sure that you and Chris document your meeting with Michael. I think that the corrective actions should also be documented should he not show improvement after the two weeks you gave him.

You have probably already done this, but I wanted to make sure should we have to perform a corrective action after the two weeks.

Thanks,

--

Kevin C. Whyrick  
Vice President - Finance  
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--

Respectfully;

Chris LaRocco  
Corporate Strategist

**EnviroTech Services, Inc**  
9663 Berrien St.  
Suite 1  
Union Pier Michigan, 49129

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Work: 970-346-3923

Ext: 407

Cell: 773.875.2053

Fax: 269-645-5909

Web: www.envirotechservices.com

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--

Beth Aleman PHR  
Human Resources Manager  
*EnviroTech Services, Inc*  
*910 54th Ave, Suite 230*  
*Greeley, CO 80634*  
*970-346-3904*

Website: www.envirotechservices.com

Twitter:

@envirotechsvcs

Facebook:

envirotechservices



# EXHIBIT 29

**To:** Fran Holliday[fholliday@traefuels.com]; Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Beth Aleman  
**Sent:** 2014-05-29T12:01:15-04:00  
**Importance:** Normal  
**Subject:** Confidentiality agreements  
**Received:** 2014-05-29T12:01:15-04:00

I am working in the employee files for Trae Fuels in preparation for my visit next week. I found another file that was scanned to me, without it's confidentiality agreement. This time it is for Thomas Smith. Please make sure that this item is always completed and scanned to me.

Thanks

--

Beth Aleman PHR  
Human Resources Manager  
*EnviroTech Services, Inc*  
910 54th Ave, Suite 230  
Greeley, CO 80634  
970-346-3904

Website: [www.envirotechservices.com](http://www.envirotechservices.com)  
Twitter:

[@envirotechsvcs](https://www.facebook.com/envirotechsvcs)  
Facebook:

[envirotechservices](http://envirotechservices.com)

# **EXHIBIT 30**

**To:** Fran Holliday[fholliday@traefuels.com]  
**Cc:** Beth Aleman[baleman@envirotechservices.com]  
**From:** Michael Donaldson  
**Sent:** 2014-06-02T15:57:17-04:00  
**Importance:** Normal  
**Subject:** Re: Andrew Leighton  
**Received:** 2014-06-02T15:57:17-04:00

Yes Beth. Andrew's last name is "Knighton" John mentioned that he consulted with you about not running a background check on Andrew since he is a high school student working a few hours a week.  
Thanks,

Mike

On Mon, Jun 2, 2014 at 1:45 PM, Fran Holliday <[fholliday@traefuels.com](mailto:fholliday@traefuels.com)> wrote:

Beth

I believe Michael meant "Knighton"



Fran Holliday  
Office Manager

540 205-2440 (office)  
540 205-2455 (fax)  
540 642-2727 (cell)  
[fholliday@traefuels.com](mailto:fholliday@traefuels.com)  
[www.traefuels.com](http://www.traefuels.com)

On Mon, Jun 2, 2014 at 1:44 PM, Beth Aleman <[baleman@envirotechservices.com](mailto:baleman@envirotechservices.com)> wrote:

Has this person gone through a background check? I dont recall the name.

On Jun 2, 2014 11:34 AM, "Michael Donaldson" <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Hi Beth:

When you have an opportunity can you please put Andrew Leighton into Paycor? He worked on Saturday, May 31, 2014 and I need to process his time for Payroll this week.

--  
Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

# **EXHIBIT 31**

**To:** Chris LaRocco[clarocco@envirotechservices.com]  
**Cc:** Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Beth Aleman  
**Sent:** 2014-06-09T12:26:25-04:00  
**Importance:** Normal  
**Subject:** Re: Michael Meeting  
**Received:** 2014-06-09T12:26:25-04:00  
M. Donaldson Meeting-6-4-2014 in Bumpass.doc

Attached is my write-up of the visit with M. Donaldson.  
Beth

On Mon, Jun 9, 2014 at 5:56 AM, Chris LaRocco <[clarocco@envirotechservices.com](mailto:clarocco@envirotechservices.com)> wrote:

Beth:

Is there a standard form that I need to complete for your file?

On Fri, Jun 6, 2014 at 5:05 PM, Kevin Whyrick <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)> wrote:

Hi Beth,

I was thinking, and wanted to make sure that you and Chris document your meeting with Michael. I think that the corrective actions should also be documented should he not show improvement after the two weeks you gave him.

You have probably already done this, but I wanted to make sure should we have to perform a corrective action after the two weeks.

Thanks,

--

Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office: (970) 346-3900

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--

Respectfully;

Chris LaRocco  
Corporate Strategist

**EnviroTech Services, Inc**  
9663 Berrien St.  
Suite 1  
Union Pier Michigan, 49129

TRAE-PROD0008429

Work: 970-346-3923  
Ext: 407  
Cell: 773.875.2053  
Fax: 269-645-5909  
Web: www.envirotechservices.com

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--  
Beth Aleman PER  
Human Resources Manager  
*EnviroTech Services, Inc*  
910 54th Ave, Suite 230  
Greeley, CO 80634  
970-346-3904

Website: www.envirotechservices.com  
Twitter:

@envirotechsvcs  
Facebook:

envirotechservices





910 54<sup>th</sup> Ave, Suite 230  
Greeley, Colorado 80634

### Employee Counseling Notice

Employee Name: **Michael Donaldson** \_\_\_\_\_

Date: 06/04/2014

Position/Title: Trae-Fuels Controller

Dept. \_\_\_\_\_

**Reason for Notice: (See attached copy if applicable)**

John Frink, Chris LaRocco and I met with Michael to establish performance expectations, specifically for the next two weeks. Chris explained the necessity and the importance of how vital the controller position is to the success of Trae-Fuels and how this position needs to be current at all times with financial reporting, including current cash flow and as the controller he should be communicating daily with John on the current status of Trae-Fuels financially ('what does it cost us to open the door everyday') was the example given. Discussion also included: making decisions faster, knowing inventory at all times, and how that data correlates with financials.

I emphasized that he (Michael) needs to meet daily with John to discuss current financials and updates (no more leaving reports on his desk without conversation), he needs to focus on performing at a higher level and not in the day-to-day 'weeds' of things going on in the office. I also removed all HR employee file responsibilities (except the 5 exempt manager positions) from Michael's responsibility. During an audit of the files during this visit, I found the files to be out of federal compliance, confidentiality agreements were missing, and random accounts payable items were placed in the employee files. I did a training session with Michael and Fran and Fran will be responsible for the files until further notice. In addition, I told Michael he needs to create accounts payable files for all the vendors they are using and those files need to be current at all time.

(Use back of this page if more room is needed)

**Action Taken on This Notice: (Plan of Action)**

Chris is going to make a score card and/or excel spreadsheet for Michael to use to start collecting vital financial information which will help with reporting and creating a 'State of the Union' style report that he can share with corporate and John at all times.

(Use back of this page if more room is needed)

**Next Step if Infraction is repeated:**

This was not discussed, as this first meeting was to convey the expectations that are needed for the controller position and more specially, for Michael to understand he needs to produce more qualitative/quantitative work and be a hands on controller.

(Use back of this page if more room is needed)

Signed: \_\_\_\_\_  
Date

Signed: \_\_\_\_\_  
Employee Date

Original to be placed in Employee's File

# **EXHIBIT 32**

**To:** Beth Aleman[baleman@envirotechservices.com]  
**Cc:** Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Chris LaRocco  
**Sent:** 2014-06-26T14:22:51-04:00  
**Importance:** Normal  
**Subject:** Re: Mr. Michael Donaldson - Trae Fuels Controller  
**Received:** 2014-06-26T14:22:51-04:00  
Michael Donald Observations-Write Up 6-26-14.docx

Beth:

Please review the attached review of Mr. Donaldson's performance. If you have any questions please call or email me with them.

--

Respectfully;

Chris LaRocco  
Corporate Strategist

***EnviroTech Services, Inc***  
9663 Berrien St.  
Suite 1  
Union Pier Michigan, 49129

Work: 970-346-3923  
Ext: 407  
Cell: 773.875.2053  
Fax: 269-645-5909  
Web: [www.envirotechservices.com](http://www.envirotechservices.com)

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Today's Date: 6-26-14

Re: Performance Observations of Michael Donaldson – Trae Fuels Controller

Period: 6-04-14 to 6-20-14

6-9-14: Emailed Mr. Donaldson and requested he perform a cash-flow analysis for Trae-Fuels to estimate and structure a potential "capital call" to the ownership of Trae-Fuels LLC. Provided Mr. Donaldson with a standard for use in the analysis. Mr. Donaldson's work product amounted to him taking the closed April, 2014 P&L and multiplying it by 4. The work product was substandard and presentable to the ownership.

6-17-14: Asked Mr. Donaldson for current total obligations of Trae-Fuels for cash-flow and current cash analysis. Mr. Donaldson handed me the closed May, 2014 P&L and May, 2014 Balance Sheet. Mr. Donaldson neglected to divulge the values of open Purchase Orders and unpaid Credit Card statements which were needed to have the total obligations value (again for current cash and cash-flow analysis).

6-18-14: Was informed by Kevin Whyrick (ESI-CFO) that he and Gohar Wise (ESI - Assistant Controller) had reviewed and walked through with Mr. Donaldson the IFS accounting systems procedure to input Purchase Orders and Requisites while on their site visit to Trae-Fuels on the 14<sup>th</sup> and 15<sup>th</sup> of May, 2014. When asked if that procedure of implementation was executed Mr. Donaldson stated that he had not gotten around to it.

General observations: Mr. Donaldson is very good at accounting. Mr. Donaldson is very detailed in his communications, and is very detailed as an auditor. Mr. Donaldson has failed however in his responsibilities to keep Trae-Fuels cash position in line with production outputs.

Example: On 6-4-14 Mr. Donaldson drew on Trae-Fuels line of credit to pay for SG&A, and general operating costs. Hence the draw against the line and used towards paying for operating costs and current obligations in this scenario meant that Trae-Fuels had gone cash negative/broke.

Respectfully;

Chris LaRocco

Corporate Strategist

EnviroTech Services Inc.

# **EXHIBIT 33**

**To:** Beth Aleman[baleman@envirotechservices.com]  
**From:** Debby Vannest  
**Sent:** 2014-07-22T13:55:28-04:00  
**Importance:** Normal  
**Subject:** Fwd: Weekly Inventory Sheet - July 7, 2014  
**Received:** 2014-07-22T13:55:28-04:00  
Weekly Inventory Sheet - July 7, 2014.pdf

Same with this one. Just received the response.  
Thanks,

Debby Vannest  
Logistics Analyst  
EnviroTech Services Inc | 910 54th Ave. Suite 230 | Greeley CO 80634  
Direct Line: 970-395-7735 | Mobile: 970-396-1068 | Fax: 970-346-3959  
eMail: [dvannest@envirotechservices.com](mailto:dvannest@envirotechservices.com)  
Website: [www.envirotechservices.com](http://www.envirotechservices.com)  
Twitter:

[@envirotechsvcs](#)  
Facebook:

[envirotechservices](#)

*PEOPLE HELPING PEOPLE IMPROVE THEIR ENVIRONMENT*

----- Forwarded message -----

**From:** Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>  
**Date:** Fri, Jul 11, 2014 at 10:48 AM  
**Subject:** Re: Weekly Inventory Sheet - July 7, 2014  
**To:** Debby Vannest <[dvannest@envirotechservices.com](mailto:dvannest@envirotechservices.com)>  
**Cc:** Clayton Walker <[cwalker@traefuels.com](mailto:cwalker@traefuels.com)>, Michelle Mills <[mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)>, John Frink <[jfrink@traefuels.com](mailto:jfrink@traefuels.com)>

Hi Debby,  
Please find attached the weekly Inventory Sheet as of July 7, 2014 as promised.

I've talked to Clayton in regards to the Super Sacks difference and he is going to take a look at it. We're probably going to have the change some items on the weekly inventory sheet to correspond with unit of measures as recorded in IFS and delineate those on the inventory sheet. Clayton and I are going to try to meet on Monday to go over the inventory sheet

I spoke with John as well about the inventory situation in general and that our goal is to have a July 31, 2014 accurate count in IFS that corresponds with the physical inventory. As a management team we will be starting some more meetings on the inventory process next week.

Mike

--  
Michael A. Donaldson  
Controller

Trac-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455

TRAE-PROD0009760

E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

Weekly Inventory Sheet		Shipping						
Date: July 7, 2014								
Item	In Stock	Order Date	Order Lead Time	Prior Count	Total	Person Taking Count		
Packaging Materials								
Pallets - Grade A 48 x 40	28		1 Week					
Pallets - Heat Treated 48 x 40			1 Week					
Pallets - Heat Treated 46 x 40	1,088		2 Weeks					
Slip Sheets			2-3 Weeks					
Stretch Film	8		2-3 Weeks					
Hooder Film	2		2-4 Weeks					
Cover Bags	9		3-4 Weeks					
Non UV Cover Bags			3-4 Weeks					
Bags - Nation's Choice	12		5-6 weeks					
Bags - Columbus	21		5-6 Weeks					
Bags - Bio Holtz (American Pellet)	1 roll		5-6 Weeks					
Bags - Clear								
Bags - Super Sacks			2-3 Weeks					
Bags - OD**	3							
Bags - Homestead**	3							
Bags - Pennington**	9							
Bags - RV*	5							
OBX Board	55							
Damaged Plastic	3							
Ready to Ship								
Completed Pallets - Nation's Choice	2,004							
Completed Pallets Columbus	384							
Completed Pallets - Bio Holtz	6							
Completed Pallets - Super Sacks	32							
Completed Pallets - Old Dominion (50 bags)	888							
Completed Pallets - Old Dominion (70 bags)	280							

\* Possible future Product

NT-280 + 41 + 684 + 80  
 OD 54 + 264 + 276 + 244  
 NC 29 + 368 + 228 + 2 + 176 + 396 + 69 + 264 + 284 + 18 + 60 + 25  
 Col 198 + 91 + 68 + 28

OD 250 - 20  
 SS 15 + 39 + 42 + 32  
 Film 41 x 31 x 350  
 NT 44 1490  
 (406 1400) 2



# **EXHIBIT 34**

Observations regarding Michael Donaldson  
Trae-Fuels Manufacturing Controller

I will provide observations and conversations that I have had with Michael Donaldson over the last 8 months in the following write up.

We hired Mike Donaldson to perform the duties as the manufacturing controller for our subsidiary Trae-Fuels. As part of this job Mike is supposed to be responsible for the financials for the company, manufacturing costing, inventory management, day to day accounting functions, oversight of some admin employees, as well as the strategic direction of the company from his perspective as the controller. This also includes continual reporting and strategic communication of those reports to the management team within Trae-Fuels, as well as the management team within EnviroTech its parent company.

The first few months of Michael performing in the job was for training and understanding of the company as well as the IFS computer system (which the company uses as its ERP system). This is the same system that the EnviroTech Services, Inc. utilizes as its ERP system. EnviroTech formed a team to train Michael on the ERP system as well as work with him on how to setup Trae-Fuels on this system as well. Being that this was a startup that was formed in July of 2013, some of this setup had occurred prior to Mike being hired. When Mike came on board in November of 2013, we first had him come to the corporate office in Greeley Colorado to train for a week on how to use IFS. We brought in an IFS third party trainer from a company named Khaga to help train Michael on the workings of the system. We also made available ESI's controller, assistant controller, costing technician and myself the CFO to assist in training him in the system and to work with him on setting up Trae-Fuels correctly.

We noticed during this training that Michael was slow on the uptake, but saw enough progress that we determined that he could be trained in IFS, and be able to learn it over the next couple of months. During this time we trained Mike pretty heavy on the general ledger, costing components, manufacturing module, A/R, A/P, financial reporting, etc. Michael has continually represented to us that he has worked with several high end ERP systems, and was familiar with how they generally worked. After Michael left Greeley, we setup weekly calls and had people available via phone conference and web conference to help him continue to pick up IFS and setup the company. We constantly asked Mike to be sure that he contacted us with any issues or questions or additional training he needed to understand the system, as well as additional setup and functionality that IFS has. Over the next couple of months we worked with Mike on making sure that we had things setup and on a couple of occasions sent people (our controller and costing technician) out to Bumpass, VA to continue with his training and further add data to the ERP system.

During these communications and training, our people started to notice that they were having to retrain Mike on several items, and also started to get the general sense that he was not getting certain concepts within the ERP system. He particularly had problems with the supplier side of the system, as well as understanding the costing and manufacturing modules. Because of this we gave continual support and kept our people involved multiple times a week to make sure that we were getting the correct data and also helped train and setup the more complex items within IFS. Although we noticed that Mike was

struggling in this area, we thought that we could continue to train him to get him up to speed based on repetition and continual support. It also became apparent that Mike was a very analytical and methodical worker. It would often take him more time than should have been reasonably needed to complete tasks, as well as make decisions on how to input or report certain items. EnviroTech's controller and I continually voiced to Michael that he was over analyzing certain tasks, and even got to the point where we would tell him that as the controller, he needed to be more dynamic and less analytical to insure that he got things done in a timely manner for the company. We also started to notice that this slow work pace and over analysis was causing issues in him getting timely information to the General Manager.

As I mentioned before we had setup weekly meetings with Mike (which included Mike, myself, our Controller and assistant controller), and during these meetings we would discuss any items that Mike or Trae-Fuels needed help with, and made sure that we had discussion either during the meeting or offline after the meeting on how to address them. It was common for an item to get addressed later between Mike and our controller or assistant controller. After about 4 or 5 months, Mike started to become familiar with IFS, and was able to get reports and information out on a timelier manner. I did notice that Mike was doing a good job at getting the financials closed in a timely manner, and was starting to pick up some of the more complicated functions we had trained him on. We however still saw that Mike would do a lot of things offline from the IFS system, whether it be in excel or manual paperwork, and then would input this information into IFS. It got to the point that our controller noticed that he was doubling his effort by doing this, and she had several conversations with Mike that he did not need to do this manual system, and that he could do this in IFS only once. I was also involved in a couple of these conversations during our Friday meetings. We started to notice resistance to our suggestions regarding this extra work, and we continued to explain to Mike that he did not need to do this, and even in some cases said that he needed to stop doing it manually.

Our controller spent several work sessions with Mike going over better ways to do things in IFS, and we both told him that while he can get away with duplicating work now when it was not as busy, that this would overwhelm him when things started to pick up and get busier. It is my personal observation that this is why Michael appears to be busy, even though the company is not even close to being at full production. As part of this slow and methodical work pace, I also noticed within the last couple of months, that we would have conversations with Mike about a way to do something, or setup something, and then after several weeks had gone by, notice the work still had not been done.

One example was the inventory management protocols within Trae-Fuels. I have spent several meetings with Michael explaining that we needed to have tight inventory controls and management, as this could cause the financials to be misrepresented. I even made a couple of trips to discuss this with the Trae-Fuels management team. I emphasized how important this was. I told Mike that he needed to be the person responsible to make sure that we had accurate inventory and logs so as to insure that we did not have any write-offs. Each time I would discuss this, he would state that they were working on it, and while he had put some measures in place, we have noticed that there are several gaps around items I had specifically discussed with him. I also have noticed that Mike has a pretty timid demeanor and is passive aggressive when it comes to voicing his opinion to other managers. I believe that this is a big reason why some of these initiatives are not being finished, or are taking longer than they should.

Michael will continually tell us that he told the GM or the plant supervisors that we should not do this, but I could never see where he would step up and voice his opinion in a very strong manner that he had issues with this.

This timid and passive aggressive nature also started to be noticed about two months ago by other members of EnviroTech as well as the GM for Trae-Fuels. Because of this, a few of us coached Michael that he needed to be the person that represented the company from a financial point of view, and that if he has concerns or suggestions, that it is his duty to make them known to the Management teams within Trae-Fuels and EnviroTech. We also coached him that he needed to be a leader that would help drive these initiatives within the company. During these coaching sessions a common reply would be that he can't force people to do things, and could only let them know his opinion. We continually coached Mike that you can't make people do things, but there are ways to speak up and create dialog that would help people understand and appreciate your point of view.

It was at this point that both Trae-Fuels' GM and members of EnviroTech's management started to question whether Mike could perform the higher level duties of his job as the controller and as a manager. We noticed that he would provide pretty accurate data, but would not help the GM or key management understand what that data meant, nor what decisions should be made based on that data. It was during this time that the plant was still not performing like it should have, and more reporting questions were being asked of Michael. We were looking for him to provide cash flow statements and projections for the company, as well as production logs, financial reports and other key reports to help us to monitor and improve the company's situation. Michael would commonly put these reports together and just send them out, or set them on the GM's desk. When told by the GM that he needed to meet with him to go over these reports, Michael would fail to do so. We also noticed that the reports quality was not nearly as expected either. There were cash flow projections that would take one month from the past and project it forward. As this was one of the costlier months, the data we received was not meaningful.

EnviroTech's HR manager, the GM for Trae-Fuels and EnviroTech's corporate strategy manager had a formal sit down with Michael to tell him that he was not performing the duties as the manufacturing controller as were expected by the parent company or the General Manager of Trae-Fuels. They also discussed with him that we needed him to step up as a leader. Since this conversation, Michael has put some effort toward getting better with communication, but he is still lacking the leadership and strategy needed for this position. I am continually seeing more and more instances of Michael not getting us the correct information, or not getting us the information in a timely manner.

Recently Michael has been dealing with some health issues. As part of this, we have told him that we will support him, but need him to communicate with us when he will miss work, and help us find people to fill in while he is gone. We have had a couple of instances, when Michael left his work to go to the doctor, and has not finished items and did not tell anyone or ask for help. In one case, he left his phone with the GM and asked him to deal with any calls and/or messages.

Based on these observations, I seriously question whether Michael will be able to adequately fill the role we hired him for as the manufacturing controller for Trae-Fuels.



Signed: Kevin C. Whyrick

07-03-14

# **EXHIBIT 35**

#### Mike Donaldson Report

There have been examples of Mike not following the suggested process on how EnviroTech does things. He has his own way of thinking and doing things and when he asks for a suggestion and is given a suggestion, he comes back with a reason why he thinks he needs to do it his way.

The best example I have is him doing journal entries for AP invoices. He has the AP Invoice, but instead of putting the invoice in IFS, he will do a journal entry and then reclass the next month. This is a lot of extra steps that do not need to happen. I have talked to him numerous times on this and suggested that he talk to John on how the process in IFS works and that John would probably be okay with it. It looks like Kevin Whyrick talking to John when he was in VA to get this process changed. There seemed to be an unwillingness on Mike's part to let John know the process and to stress the importance of how the system works. Mike's job as the controller, is to make sure things are completed in the most efficient manner and make sure the procedures are being followed.

There have been times when I have seen some wrong postings and pointed them out and he has gotten short with his comments back and disagreed with the process. It seems like if he does not like my answer then he will go to someone else hoping to hear something different. He has done this several times with Gohar Wise and myself.

He does a lot of time card adjustments that he should not be doing. Instead of letting the employees know what the process is and that they are responsible for their time, he will just adjust their time for them instead of holding them accountable. Again, his comment is "I can't make them do it". There are other people who are in the Paycor system that could help him out with making sure employees are clocking in and out, but he never took the time to have those people help him out.

Payroll was an item that he should have taken over very quickly, but I did not let him have it because I felt he was not ready for it. He seemed overwhelmed with the things he had and to add payroll onto that, I felt would not have been a good idea. He started in Oct and I finally gave him payroll in March because I was going on vacation in April and he had to do it.

401K is another duty that he should have taken over the administration of, but again, I felt like he could not keep up with the items that need to be done.

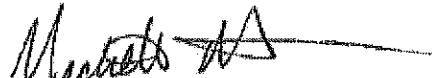
I am not sure he has completed the credit card website process either. The system is new and he was supposed to set-up all the users and show them how to code their expenses so he can pay the invoice. I think he manually posts all the charges on a monthly basis.

Mike still does not add code parts or accounts in IFS even though we have showed him how to do it and that it is his responsibility. There is a lot of basic data set-up in IFS that has to be done and he should be doing most of it and currently we are doing that in the Greeley office. He should be more curious on how the system works and how to improve what they are doing. Instead he is more focused on how not to get in trouble and how not to be held accountable for his actions or processes that don't work correctly.

We see the same issues arise and it seems like he is not putting them together and identifying problems based on previous experiences. We then have to explain and it seems like a brand new concept to him each time. There is no correlation between the issues that arise. He should be able to identify the issue

and know there is a fix even if he does not know how to fix it. To me, it seems like he does not see the big picture and how all the pieces fit together. He is more concerned on the things that don't matter, then the big items he should be doing and reporting.

In my opinion, he is not performing as the controller of a company. He was hired to make decisions and take responsibility and I don't feel he is doing either of these. His time management skills are not what they need to be in order to perform all the duties required. This is a demanding position and you have to make decisions and enforce the rules.



Michelle Mills

Controller – EnviroTech Services, Inc.



# **EXHIBIT 36**

**To:** Kevin Whyrick[kwhyrick@envirotechservices.com]; Beth Aleman[baleman@envirotechservices.com]  
**From:** Chris LaRocco  
**Sent:** 2014-06-21T13:22:10-04:00  
**Importance:** Normal  
**Subject:** Michael Donaldson  
**Received:** 2014-06-21T13:22:10-04:00

Kevin/Beth:

Just prior to my departure yesterday Michael pulled aside to voice his concern that he had never been informed of any performance issues by John and is therefore upset about the manner in which the recent review and probation periods were handed down.

I did not speak to his comments and informed him that he would have to address them with Beth.

# **EXHIBIT 37**

**To:** Michelle Mills[mmills@envirotechservices.com]  
**From:** Gohar Wise  
**Sent:** 2014-07-22T19:12:06-04:00  
**Importance:** Normal  
**Subject:** Fwd: A/P  
**Received:** 2014-07-22T19:12:06-04:00

----- Forwarded message -----

**From:** **Michael Donaldson** <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>  
**Date:** Mon, Dec 9, 2013 at 7:29 AM  
**Subject:** Re: A/P  
**To:** Michelle Mills <[mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)>, Gohar Wise <[gwise@envirotechservices.com](mailto:gwise@envirotechservices.com)>

Good Morning!  
I hope that you both had a great weekend.

Was trying to get checks done on Friday, but was tied up with HR Insurance meetings all day and John had me working on some other things. Michelle, so the Willis \$41,303 was not paid on Friday, but will be done today when we issue checks. Also, believe it or not, I have insurance meetings today as today is the final day Beth scheduled the meetings.

I have a few questions that I will need one of you to call me when you get in:

1) Michelle had entered an AFLAC Invoice from there in CO. The supplier is 20973. I was attempting to final post or I think you call it authorized, but had difficulty.

2) Gohar or Michelle - We have entered a few suppliers into Inventory in Mfg and tried to match the Invoice with the payment. I followed the instructions that were given to Fran when she was there. It let me get all the way to posting the invoice, then it gave me an error message that the voucher date had to be 12/5/2013 or sooner I believe.

I know when I entered the inventory I think I used the received date "delivery date" as the date. Anyway, I can't match the invoices to pay pay them in the system.

Last week, I did have two manual checks for the inventory (loggers) that I had to cut, although they were physically entered into the inventory system. So, I guess I need help applying the manual checks to match the entered inventory. I guess we would need to do this first to keep the checks in sequential order.

3) Finally, I have a few generic questions as far as procedure on when months A/P and G/L are closed and when subsequent months are opened.

4) I have a number of GL reclasses I need to make and want to walk through the GL program and see if you utilize any source forms to enter the data into the screens, etc. However, this can wait until was tackle the A/P issues and questions.

Thanks,

Mike

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858

TRAE-PROD0009781

Fax: (540) 205-2455  
E-mail: mdonaldson@traefuels.com

--

Gohar Wise  
EnviroTech Services, Inc.  
Assistant Controller  
Tel. 970-346-3900 Ext. 114  
Fax. 970-346-3959  
Email: gwise@envirotechservices.com  
www.envirotechservices.com

**To:** Michelle Mills[mmills@envirotechservices.com]  
**From:** Gohar Wise  
**Sent:** 2014-07-22T19:16:14-04:00  
**Importance:** Normal  
**Subject:** Fwd: Trae-Fuels Bank Reconciliation - November 2013  
**Received:** 2014-07-22T19:16:14-04:00

----- Forwarded message -----

**From:** Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>  
**Date:** Mon, Jan 6, 2014 at 9:25 AM  
**Subject:** Re: Trae-Fuels Bank Reconciliation - November 2013  
**To:** Gohar Wise <[gwise@envirotechservices.com](mailto:gwise@envirotechservices.com)>

Gohar,  
It didn't take long. I did it because I knew I had some O/S Checks and I already had them listed as O/S on a cash report I prepared everyday to let me know how much we have in the bank. Take me a matter of 1 1/2 -2 min a day. As I am making JE's for November to close November, I wanted to make sure I had everything. Hope to complete Nov close today

I gathered from speaking with Michelle that the 1004 account of \$6,580,483.17 and the 1008 Cash -Contra Account (\$48,158.41 Must represent O/S Checks). However, unless I missed something my O/S checks were \$44,387.41 is exactly \$3,771.00 difference from what is on Account 1008.

Look forward to going over it next week. Have a great day!

Mike

On Mon, Jan 6, 2014 at 11:15 AM, Gohar Wise <[gwise@envirotechservices.com](mailto:gwise@envirotechservices.com)> wrote:

Mike,

I am not sure why you are doing the reconciliation in Excel if it is already done in IFS? Michelle and I spent the time to figure out how to do this in IFS to avoid doing it in Excel. I was planning on reconciling December with you when I am in Virginia next week.

Thanks

On Mon, Jan 6, 2014 at 8:01 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Good Morning Gohar:

I hope that you had a great weekend:

Please find attached the Trae-Fuels Bank Rec that I did for Sept, Oct & November 2013.

For some reason, my reconciliation for November 2013, is somewhat different than yours. The difference is the total outstanding checks @ 11/30/2013 of \$44,387.41.

I'm thinking that perhaps, it was an update from A/P to GL that wasn't done in November. I thought the system may have done this at the time of posting to the A/P module, then the G/L module. I actually did not know I had to do this until December when I was on the phone with Kevin between Christmas and New Years. On your recon, I did not see any O/S checks for November, but I've identified them on one of the tabs attached.

Could you please review and let me know. If my suspicion is the case, then in December when the update occurred, it

TRAE-PROD0009783

would have taken care of it.

Thanks,

Mike

What my

--

Michael A. Donaldson  
Controller

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--

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--

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--

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# **EXHIBIT 38**

**To:** Beth Aleman[baleman@envirotechservices.com]  
**From:** John Frink  
**Sent:** 2014-06-17T20:32:04-04:00  
**Importance:** Normal  
**Subject:** Fwd:  
**Received:** 2014-06-17T20:32:04-04:00  
[doc20140614104149.pdf](#)

Good evening Beth,

Here is the notes for the meeting with Michael Donaldson. We seem to have some improvement for the moment and I will stay in touch with you as things progress. Thanks again for the help.



John Frink

General Manager

540 205-2440 (office)

540 205-2455 (fax)

540 642-2067 (cell)

[jfrink@traefuels.com](mailto:jfrink@traefuels.com)

[www.traefuels.c](http://www.traefuels.c)

----- Forwarded message -----

From: <[scan@traefuels.com](mailto:scan@traefuels.com)>

Date: 2014-06-14 11:41 GMT-04:00

Subject:

To: [jfrink@traefuels.com](mailto:jfrink@traefuels.com)

-----  
TASKalfa 500ci

[00:c0:ee:4b:75:a2]  
-----

Car problem

Michael check really clean

23rd with

Steps for next couple  
of weeks. we doing  
at this point to make sure of it  
1. Chris had a car will be here  
to help with business deal  
I need to make sure you  
works with Chris on Cash  
Flow. If we don't have  
and we understand exactly  
where we are

2. Employee scheduling if we  
are not running at any point  
employees must go home. Work  
with Clayton and Chris for  
decisions but you must be  
the voice. Notes by the time  
clock

3. Monday Meeting I would  
like you to host with  
Clayton, Chris, Fran, ~~Christian~~  
Christian

# **EXHIBIT 39**

**To:** Michelle Mills[mmills@envirotechservices.com]; Fran Holliday[fholliday@traefuels.com]; John Frink[jfrink@traefuels.com]  
**From:** Michael Donaldson  
**Sent:** 2014-05-20T08:37:14-04:00  
**Importance:** Normal  
**Subject:** Fwd: Jared Gammon  
**Received:** 2014-05-20T08:37:14-04:00

Hi michelle,

I'm in the hospital and my wife flew back home from New York and arrived a3:30am. She got my business phone from he car outside th hospital.

I will forward you a few emails from employees who we may need to adjust their time. The first is below that Fran sent. Also Fran has all the PTO for employees o. The Trae Fuels Google Calendar so you'll be able to include PTO.

You can call me on the business phone or email me if you need me.

Mike

----- Forwarded message -----

From: "Fran Holliday" <[fholliday@traefuels.com](mailto:fholliday@traefuels.com)>  
Date: May 19, 2014 12:38 PM  
Subject: Jared Gammon  
To: "Michael Donaldson" <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)>  
Cc:

Michael

Jared started Tuesday of last week and his hours were 7:am to 4:40 pm



Fran Holliday  
Office Manager  
540 205-2440 (office)  
540 205-2455 (fax)  
540 642-2727 (cell)  
[fholliday@traefuels.com](mailto:fholliday@traefuels.com)  
[www.traefuels.com](http://www.traefuels.com)

# **EXHIBIT 40**

**To:** Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Michael Donaldson  
**Sent:** 2014-05-20T11:29:53-04:00  
**Importance:** Normal  
**Subject:** Re: Executive Team Joint Management meeting Wed May 28th - prepared to set company Wigs and leading indicators!  
**Received:** 2014-05-20T11:29:53-04:00

Kevin,

Thank you. I'm not certain right at the moment when I'll be back in the office. I feel good, but awaiting doctors instruction. I promise as soon as I know, I will communicate this to you. We talked about production and was between the thought of 75,000- 95,000 tons account g for seasonal fluctuations and of course the weather. Sales again awaiting Christian who has Been In The Office. The estimations should be based on realistic sales and not hope. While we say we are sold out, unless we have inked contracts I'm a little hesitant to overestimate the sales. Supposedky, we have more sales opportunities than we can meet. production wise. However, I think we should meet in the middle somewhere based on realistic production goals. For instance weve never made 5,000, but this month ahould be our best month. I believe both production and sales will be incremental Maybee 2500 or 3000 this month ( I haven't xhexked production the last few days), then maybee 3500-4000, then 4500-5000 and then 6000 and above. In winter months it will be less. The production capacity ultimately drives the sales volume. Again, as soon as I hear from The doctor ill let you know

On May 20, 2014 9:44 AM, "Kevin Whyrick" <kwhyrick@envirotechservices.com> wrote:

I think it makes most sense for the four of you (John, Clayton, Christian and You) to sit down and put this together, as that represents most areas within Trae. If Christian is not around, then at a minimum I would think that you, John and Clayton could put this together. I am requesting a preliminary projection and I would request that you do this as soon as possible, since I will need this to complete the view of the entire company for next weeks meetings. I know that everyone is busy trying to get production up, but these kinds of things are what a management team should also be working on. If everyone is busy working down in the engine room, then there will be no one steering the ship:) As for the liability of the numbers, these should be numbers that the team thinks that Trae can hit, and it should be the responsibility of the Trae management team to ensure that they are achieved.

I know that you have been out with your health issues. When do you think you will be back in the office to get the team together to work on this?

Thanks,

Kevin

On Tue, May 20, 2014 at 7:17 AM, Michael Donaldson <mddonaldson@traefuels.com> wrote:

Hi Kevin,

Ive had some initial conversations with John, Christian and Clayton. With any budget you start with sales. I been asked Christian to provide an excel worksheet with sales by month for ovrr two weeks which I haven't got yet. He seems not to like or follow through with requests for documentation including set up of customers etc for any of us, but he's a good sales person. John and I were going to sit down also but never was able to do so. In short, I do not have the numbers available which I apologize for. On side note my approach will be conservative in revenues and production given the over estimations and more liberal in expenses. The question that while I think we will reach a consensus on the numbers I ultimately have to convey the wishes of management. Will I personally be liable for reaching the estimations reported?

On May 16, 2014 4:59 PM, "Kevin Whyrick" <kwhyrick@envirotechservices.com> wrote:

Folks,

I wanted to follow up on my last email from Friday the 9th to remind everyone that we need to have the preliminary numbers for the regions and SBU's contribution toward the WIG of \$100 million in revenue and 7.5% profit after tax

TRAE-PROD0007911



by Tuesday of next week. This will give me a few days to put together these numbers as a whole to see if they will get us to this goal. This needs to include all three regions, Pines and Trae-Fuels numbers.

Again, please let me know if you have any questions regarding this. We will be having this discussion at this months joint meeting.

Thanks,

Kevin

On Fri, May 9, 2014 at 2:02 PM, Kevin Whyrick <[kwhyrick@envirotechservices.com](mailto:kwhyrick@envirotechservices.com)> wrote:

Folks,

As Roger mentions we need to understand what each region and business unit will need to accomplish in order to meet the \$100 million and 7.5% Profit After Tax WIG. This will require each region and business unit to understand what this means in revenue growth, gross profit margins, expense to sales, etc. I sent an email a couple of weeks ago asking that everyone start putting these projections together for 2015. The last 2015 projections that I have were from 2 1/2 years ago, and does not accurately reflect the regions and business units that are in our company today. We will need to have this preliminary information available, at the latest, by the week of May 19th, so that I can put this together and see how the combined numbers look in comparison to the WIG.

If I can get this info from you by the 19th or 20th, then I can come to the joint meeting with recommendations as to whether the combined numbers meet or exceed the goal. This would allow everyone to go back and determine where we need to focus and tweak if needed.

I know that we are just starting the budget season for 2015, so this will require some estimating to determine what these numbers will look like, but we should be far enough in the year to know what those will need to be in each region and SBU.

Please let me know if you have any questions, or need my help to determine where your regions or SBU stands through Mar-14.

A few things to keep in mind. We have agreed that we want to keep the expense growth to 4% or less next year overall as a combined company. Also, please remember to account for divisions that are within a region (i.e. ESI Commercial & Tire Ballast).

We will need to come in with overall margins that exceed 33.5% and expense to sales at 16% or lower in order to accomplish the bottom line goal. My recommendation is that we work to exceed these gross profit and expense goals, as there are always obstacles in any given year to over come. This year was a good example in that we had more freight costs than normal to meet the winter demand.

One last thought, please keep in mind the abnormal revenue from this last winter when projecting. This will need to be normalized, as there are definitely parts of the country that probably will not get as strong a winter as we seen last year.

Thanks,

Kevin

On Mon, May 5, 2014 at 2:48 PM, Roger Knoph <[rknoph@envirotechservices.com](mailto:rknoph@envirotechservices.com)> wrote:

I thought that it would be good to send out an email ahead of time to make sure we are all on the same page in

TRAE-PROD0007912



preparing for setting the companies WIG's and Leading indicators on May 28th with the help of Jeffery Downs. Currently there is still some evaluation going on to make sure that in setting our WIGS that they are a stretch yet attainable. From what has been discussed at this stage is our two WIG's will be:

- 1) Surpassing the \$100 million dollar milestone as a company before the end of next year!

- 2) Doing 10% of our revenue (\$10 Million) in new products that are less than 5 years old before the end of next year!

These WIG's are still being researched that they are reachable yet a stretch for us to accomplish. It's important that in preparing for us to finalize this and to create what our Leading Indicators will be that we all come prepared for the meeting on May 28th. That each Region / Business Unit will know clearly what it is they must accomplish in their area to insure that as a company we will surpass our goal overall. It is also important that each Region / Business Unit to have thought out and tested what the leading indicators are to achieve and how we will measure them to insure we will hit our goals and that this is graph-able on a weekly basis to keep the momentum going to insure we stay focused in hitting our goals!

These will be major milestones for us to hit as a company and worth celebrating when we do, lets do a great job in getting prepared by understanding what we must accomplish by when to insure we surpass our biggest milestones ever! It's important that us as the leaders of the company do a great job in preparing for this journey by helping our people understand what we need to accomplish on a daily basis to insure we surpass our wildest dreams!

--

Thank you,

*Roger Knoph*  
EnviroTech Services Inc.  
910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office Phone 970-346-3900  
Cell Phone 970-396-0168  
PEOPLE HELPING PEOPLE IMPROVE THEIR ENVIRONMENT

--

Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office: (970) 346-3900

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--

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--  
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# **EXHIBIT 41**

**To:** Kevin Whyrick[kwhyrick@envirotechservices.com]  
**Cc:** John Frink[jfrink@traefuels.com]  
**From:** Michael Donaldson  
**Sent:** 2014-07-23T13:26:47-04:00  
**Importance:** Normal  
**Subject:** Re: Friday, July 25 - 11:00 AM 3 year plan meeting  
**Received:** 2014-07-23T13:26:47-04:00

Hi Kevin,

I just responded to this invitation and I'll be unable to participate on Friday. As I mentioned to you in our Accounting meeting last Friday, I'll be taking my Chemo session on Friday's. Actually, it will be 2 consecutive Friday's, then a week off, then back on the 2 week cycle.

Is it possible to reschedule for tomorrow (Thursday, July 24, 2014)?

Mike

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
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Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

# **EXHIBIT 42**

**To:** Chris LaRocco[clarocco@envirotechservices.com]  
**From:** Beth Aleman  
**Sent:** 2014-06-09T15:05:56-04:00  
**Importance:** Normal  
**Subject:** Re: M. Donaldson is out until Friday.  
**Received:** 2014-06-09T15:05:56-04:00

per conversations with John and Fran, he told them he was going to be gone 2 days, then it did go to 3 days when you and I were there. Now it is 4 days and no communication??

On Mon, Jun 9, 2014 at 11:03 AM, Chris LaRocco <[clarocco@envirotechservices.com](mailto:clarocco@envirotechservices.com)> wrote:

Spoke with Michael today to discuss cash-flow analysis (which he completed and sent to Kevin and I). Leaving the phone peculiar?

On Mon, Jun 9, 2014 at 1:58 PM, Beth Aleman <[baleman@envirotechservices.com](mailto:baleman@envirotechservices.com)> wrote:

Fran called to inform us that Michael left this morning for his second evaluation and will not return until the earliest on Friday. He also left his phone to give to John for taking calls.

--

Beth Aleman PHR  
Human Resources Manager  
*EnviroTech Services, Inc*  
910 54th Ave, Suite 230  
Greeley, CO 80634  
970-346-3904

Website: [www.envirotechservices.com](http://www.envirotechservices.com)  
Twitter:

@envirotechsvcs  
Facebook:

envirotechservices

--

Respectfully;

Chris LaRocco  
Corporate Strategist

*EnviroTech Services, Inc*  
9663 Berrien St.  
Suite 1  
Union Pier Michigan, 49129

Work: 970-346-3923  
Ext: 407  
Cell: 773.875.2053

Fax: 269-645-5909

Web: www.envirotechservices.com

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--

Beth Aleman PHR  
Human Resources Manager  
*EnviroTech Services, Inc*  
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*Greeley, CO 80634*  
*970-346-3904*

Website: www.envirotechservices.com

Twitter:

@envirotechsvcs

Facebook:

envirotechservices

# **EXHIBIT 43**



8/20/2014 3:30PM

Michael Donaldson,

John Frink , Beth Aleman,

Beth and I went into Michaels office and told him that the culture wasn't right for him and Trae- Fuels. We felt like it wasn't a good fit and it just wasn't working. Michael stated that he did his work and put in overtime every week. We told him it wasn't the time but just a cultural difference and we didn't want to get in an argument over it. It just wasn't working! We told him that we thought he would be good in a larger company but he said that we didn't give him a chance and didn't give him a warning. We stated that it was just not working with the whole team and we had already made a decision.

Michael had been warned with a written warning about 4 week earlier.

John Frink

# **EXHIBIT 44**

**To:** Michael Donaldson[mdonaldson@traefuels.com]; John Frink[jfrink@traefuels.com]  
**From:** Michelle Mills  
**Sent:** 2014-02-20T17:04:49-05:00  
**Importance:** Normal  
**Subject:** Fwd: NeatConnect  
**Received:** 2014-02-20T17:04:49-05:00  
NeatConnect 02 20 2014 20 54 58.pdf

Hello,

I have attached the monthly health insurance bill from Cigna. Because this plan is partially self-insured, they bill us a little differently. They bill for the monthly premium and also the max possible claims for that month. This amount might be more than you expected to see. I just thought I would send it over before you received the invoice for this.

EnviroTech will bill these out to Trae when we do the normally billing as the account in under EnviroTech. The way the self-insured works is if we are healthy and come in under the claim amount, then we will get money back.

Thanks

**Michelle Mills**

*Controller*

EnviroTech Services, Inc.  
Phone: 970-346-3900 ext 112  
Fax: 970-346-3959  
Email: [mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)  
*Positively Impacting People's Lives*

----- Forwarded message -----

From: <[mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)>  
Date: Thu, Feb 20, 2014 at 1:54 PM  
Subject: NeatConnect  
To: [mmills@envirotechservices.com](mailto:mmills@envirotechservices.com)

The attached file was scanned and sent using my NeatConnect scanner.



## BILLING DETAIL BY SUBGROUP / CLASS

Report Date: 02/19/2014

Bill Run Date: 01/29/2014

Bill Start Date: 02/01/2014 Bill End Date: 02/28/2014

Group : 00010450 Envirotech Services, Inc.

Subgroup: 0001 Envirotech Services, Inc.

Class Desc: Tree-Fuels

Employee ID	Employee Name	Sub Group ID	Class ID	Plan ID	Curr Bill Cov	Medical	Amount Due (1)	Claims Funding (3)	Total (4)	C.I. (2)
101924762	Apperson, Mark	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101924767	Bohannon, Jessica	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101923924	Brooks, Felix	0001	A002	MHDP0004	E+C	\$394.51	\$394.51	\$318.71	\$713.22	
101924755	Donaldson, Michael	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101924754	Frink, John	0001	A002	MHDP0004	E+FAM	\$679.40	\$679.40	\$548.88	\$1,228.28	
101924766	Hewitt, Michael	0001	A002	MOAP0001	E+FAM	\$648.59	\$648.59	\$814.42	\$1,463.01	
101924765	Hicks, David	0001	A002	MOAP0001	E+C	\$376.60	\$376.60	\$472.89	\$849.49	
101924763	Holliday, Frances	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101924758	Horseman, Daniel	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101924764	Layne Jr, Charlie	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101924761	Nelson, Richard	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101936351	Sprouse, Mark	0001	A002	MOAP0001	EEO	\$209.22	\$209.22	\$262.72	\$471.94	
101924760	Walker Jr, Bruce	0001	A002	MHDP0004	EEO	\$219.15	\$219.15	\$177.06	\$396.21	
Totals:						\$3,992.01	\$3,992.01	\$4,433.72	\$8,425.73	

(1) Amount Due reflects premium and benefit advisor fees, if applicable, that are not part of the premium.

(2) Coverage Indicator

"C" prefix denotes COBRA coverage

"S" prefix denotes State Continuation coverage

Jan - 8425.73  
Feb - 8425.73

# **EXHIBIT 45**

**Lars H. Liebeler, Esq.  
Jackson S. Nichols, Esq.  
THALER LIEBELER LLP  
1825 Eye Street, NW  
Suite 400  
Washington, DC 20006  
Attorneys for:  
Respondent Trae-Fuels Ltd.**

**UNITED STATES**

**EQUAL OPPORTUNITY EMPLOYMENT COMMISSION**

**WASHINGTON FIELD OFFICE**

<b>Michael Donaldson,</b>  Complainant  v.  <b>Trae-Fuels Ltd.,</b>  Respondent	<b>EEOC Charge No. 570-2015-00421</b>
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**POSITION STATEMENT OF RESPONDENT TRAE-FUELS. LTD.**

Respondent Trae-Fuels Ltd. ("Trae-Fuels") respectfully submits this response to the Charge of Discrimination filed by Michael Donaldson, an individual who alleges that he was subject to employment discrimination based on a disability.

Mr. Donaldson's claims are subject to summary dismissal for two fundamental reasons. First, Mr. Donaldson alleges that he did not receive any negative work performance reviews; this statement is demonstrably false. As evidenced by the attached documents (see **Exhibits 1 and 2**) and described in detail below, Mr. Donaldson was terminated because his work performance was far from adequate for his position. His termination was preceded by numerous written and verbal warnings informing him that he was not meeting the requirements of his job. He was provided

with ample opportunity, including additional training at company expense, to improve his performance. He did not. The termination of his at-will employment was solely based on his substandard performance, and was not related in any way to any illness or health considerations.

Second, the Complaint never actually alleges “discrimination” under the ADA. Instead, Mr. Donaldson alleges that Trae-Fuels learned of his cancer diagnosis and at some time thereafter terminated his employment. No causal connection is ever alleged or supported with any evidence. Mr. Donaldson further alleges that he was “required” to sign a “waiver of liability form” shortly before he was terminated. Aside from the fact that this contention is also flatly incorrect (he was required to re-sign a standard company confidentiality agreement that was missing from his personnel file), the contention is wholly unrelated to any theory of discrimination. Indeed, Mr. Donaldson never alleges that his disability caused his termination. The Fourth Circuit has repeatedly and emphatically held that to establish a *prima facie* case of discrimination in a discharge case under the ADA, “a plaintiff must prove: (1) he has a ‘disability’; (2) he is a ‘qualified individual’; and (3) in ‘discharging’ him, his employer ‘discriminated against him because of his disability.’” *Martinson v. Kinney Shoe Corp.*, 104 F.3d 683, 686 (4th Cir. 1997). Mr. Donaldson’s claim fails here because his disability played no role whatsoever in his dismissal, and he has provided no evidence that his disability was even related to, let alone was the cause of, his dismissal.

## **I. RESPONSE TO ALLEGATIONS AND COUNTER-STATEMENT OF FACTS**

### **A. Mr. Donaldson Makes Demonstrably False Statements Regarding His Work Performance and Confidentiality Agreement**

#### **1. False Statements Regarding His Work Performance**

In his Charge of Discrimination, Mr. Donaldson makes several demonstrably false statements regarding his work performance. Those statements include:

- “Prior to his termination, neither Mr. Whyrick nor **Mr. Frink ever gave Mr. Donaldson any written or oral negative feedback, reviews, or complaints regarding his work.**” (Emphasis added).
- “Mr. Donaldson was never subjected to any progressive discipline.”
- “Mr. Donaldson had maintained his job performance [as of] August 20, 2014.”
- “Mr. Donaldson did not know why he was being fired, as **he had never before received a complaint from either of his immediate supervisors** since he began working at Trae-Fuels ten months earlier . . .” (Emphasis added).

These statements are clearly false based on the documented history of Mr. Donaldson’s work performance at Trae-Fuels and the company’s attempts to improve his performance. Notwithstanding his claims, Mr. Donaldson’s difficulty with meeting the expectations of his position became apparent early in his tenure and required numerous corrections by his co-workers and supervisors. In May 2014, more than six months after he was hired and initially trained, Mr. Donaldson was still unable to understand and correctly use the company’s IFS / accounting software applications, which are crucial to the company’s operational success and a core function of his position as Controller. Due to Mr. Donaldson’s continued inability to monitor and account for critical business functions using IFS, he was informed that he would be required to undergo re-training on the company’s IFS system. This occurred, at company expense, on May 14 and 15, 2014.

A short time later, based on his mismanagement of IFS, Mr. Donaldson was forced to draw on Trae-Fuels’ line of credit to pay for the company’s general operating costs which meant that the company had gone cash negative. This emergency event was undetected by Mr. Donaldson until the last moment due to his lack of understanding and implementation of the IFS system tools and applications.



On June 4, 2014, after the cash negative incident and after failing at numerous other duties, John Frink (Trac-Fuels' General Manager), Chris LaRocco (corporate strategist for parent company EnviroTech), and Beth Aleman (EnviroTech's Human Resources Director) met with Mr. Donaldson to discuss performance expectations for his position. Mr. Donaldson was provided with a detailed critique of how he had failed to meet the expectations and responsibilities of his job. One such failure was his inability to manage HR employee file responsibilities. Those responsibilities had to be transferred to another employee, Fran Holliday, because Mr. Donaldson proved incapable of such management. Mr. Donaldson was told at the meeting that "he needs to produce more qualitative/quantitative work and be a hands on controller." A copy of the Employee Counseling Notice from Mr. Donaldson's file documenting this meeting is attached hereto as **Exhibit 1**. In addition, there are numerous emails in which Mr. Donaldson's errors and oversights were called to his attention by Michelle Mills and his supervisors and co-workers.

The lack of accuracy in the financial reports and cash flow statements prepared by Mr. Donaldson required Kevin Whyrick (EnviroTech's CFO) and Mr. LaRocco to convene a weekly conference call with Mr. Donaldson. Ultimately, EnviroTech employees were forced to simply create the cash flow reports themselves because Mr. Donaldson was unable to do so.

Despite the counseling session on June 4, on June 6 Mr. Donaldson failed to timely enter the production logs into IFS from May 24 which were due that day. On June 9 he turned in substandard and unpresentable work on a cash flow analysis requested by Mr. LaRocco. On June 17 Mr. Donaldson turned in another cash flow analysis that was unacceptable because it was missing pertinent data. On June 18 Mr. Donaldson's supervisors were informed that Mr. Donaldson still had not implemented the IFS accounting system as he was told to at his

re-training a month earlier. Many of these issues are documented by Mr. LaRocco in a memo written on June 26, 2014, attached hereto as **Exhibit 2**.

Mr. Donaldson also falsely contends that the temporary accountant hired in May 2014 was released because he (Mr. Donaldson) “was functioning well.” Trae-Fuels had provided Mr. Donaldson with a temporary accountant assistant upon learning of his cancer diagnosis to assist with his work. It was Mr. Donaldson, however, who dismissed the temporary worker, telling the company that he was not in any need of assistance. As detailed above, it would be misleading to suggest Mr. Donaldson was “functioning well” since his inability to perform his job became apparent well before his cancer diagnosis and persisted despite the company’s efforts to retrain him.

Throughout the rest of June and July 2014 Mr. Donaldson continued to require numerous corrections to his work. On August 4, he failed to arrange for new employees to be signed up for health, vision, and dental insurance despite a written reminder from Ms. Aleman on July 28. Thus, despite Trae-Fuels’ best efforts to re-train him, Mr. Donaldson continued to underperform the expectations for his position. His inability to perform his job was the sole reason for his dismissal on August 20, 2014. In fact, as Mr. Donaldson himself notes he was explicitly told that he was not being let go because he was sick.

## **2. False Statements Regarding The Confidentiality Agreement**

Mr. Donaldson also mischaracterizes a confidentiality agreement that he was required to sign by Ms. Aleman (Human Resources manager) as a “waiver of liability form.” In reality, during on HR audit conducted at Trae-Fuels on June 3, 2014, Ms. Aleman learned that Mr. Donaldson had impermissibly placed accounts payable items and un-opened Visa bills in random employee files. Ms. Aleman also learned that Mr. Donaldson’s own personnel file was missing the executed

confidentiality agreement he signed when he began his employment. Ms. Aleman provided Mr. Donaldson with a replacement confidentiality agreement which he signed. That is the only document he signed for the company on that day. A copy of the document is attached hereto as **Exhibit 3**. He was not required to sign a “waiver of liability form” as he now contends.

**B. Mr. Donaldson Fails to Allege that His Illness Was a Motivating Factor for His Termination**

Notably, Mr. Donaldson does not ever actually allege that he was fired because of his alleged disability. Rather, he relies on such innuendo as taking the expressions of concern by his co-workers out of context to imply that such statements showed some sort of invidious intent by his employer. But nowhere does he actually allege that his cancer diagnosis was a motivating factor in his dismissal.

For instance, Mr. Donaldson states that “Following his diagnosis, officers of the company asked Mr. Donaldson questions, seemingly with the purpose of assessing the impact of Mr. Donaldson’s diagnosis upon the company.” This statement does not amount to an allegation that Trae-Fuels’ decision to dismiss Mr. Donaldson was motivated in part by his cancer diagnosis. It is the assertion of a basic fact, i.e., that the officers asked him questions, followed by a conclusory statement that is bereft of any factual support.

Mr. Donaldson also states that two months after he began chemotherapy he was dismissed, but does not allege a single fact indicating that his sickness was a factor in his dismissal. Instead, he makes the blatantly untrue claim that he had “maintained his job performance.”

Moreover, the facts alleged by Mr. Donaldson actually demonstrate a clear attempt by Trae-Fuels to accommodate Mr. Donaldson’s illness. The temporary worker that he mentions was hired at Trae-Fuels’ expense to help Mr. Donaldson when the company learned of his diagnosis,

and was only dismissed at Mr. Donaldson's direction.<sup>1</sup> Additionally, Mr. Donaldson admits that Trae-Fuels accommodated him "by allowing him to shift his [work] schedule to attend his chemotherapy."

In fact, the only allegation made by Mr. Donaldson that pertains to the reasons for his termination contradicts his claim that he was fired for a discriminatory reason. He quotes Ms. Aleman as saying "We are not letting you go because you are sick." This is the only allegation that relates the motivation for Mr. Donaldson's termination to his illness, and it directly refutes any suggestion that his illness was a motivating factor. In short, Mr. Donaldson provides absolutely no reason to doubt Ms. Aleman's statement.

## II. MR. DONALDSON'S CLAIM FAILS TO ALLEGE THAT ANY ACTION WAS TAKEN *BECAUSE OF HIS DISABILITY*

Mr. Donaldson's alleged claim is for discriminatory discharge in violation of the ADA. Under the ADA, "no covered entity shall discriminate against a qualified individual with a disability **because of** the disability of such individual in regard to . . . discharge of employees . . . and other terms, conditions, and privileges of employment." 42 U.S.C. § 12112(a) (emphasis added). Thus, to establish a prima facie case of discrimination in a discharge case under the ADA, "a plaintiff must prove: (1) he has a 'disability'; (2) he is a 'qualified individual'; and (3) in 'discharging' him, his employer 'discriminated against him **because of** his disability.'" *Martinson v. Kinney Shoe Corp.*, 104 F.3d 683, 686 (4th Cir. 1997) (quoting § 12112(a)) (emphasis added).

It is therefore well-established that, "[t]o prove an ADA claim, Plaintiff must show the discrimination was 'because of her disability.'" *Mears v. Gulfstream Aerospace Corp.*, 905 F. Supp. 1075, 1081 (S.D. Ga. 1995) (quoting 42 U.S.C. § 12112(a)), *affirmed*, 87 F.3d 1331

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<sup>1</sup> An employee cannot recover for an alleged violation of the ADA where the employer offered reasonable accommodations which the employee refused. *Weiler v. Household Fin. Corp.*, 1995 U.S. Dist. LEXIS 10566, at \*17-18 (N.D. Ill. 1995).

(11th Cir. 1996). In *Mears*, the plaintiff brought a claim against her employer under the ADA for allegedly terminating her in connection with her disability. The court dismissed her claim because she “failed to allege, much less show, that any activity undertaken by [the employer] was ‘because’ of her disability.” *Mears*, 905 F. Supp. at 1081. In doing so, the court noted that “a key part of the Plaintiff’s case is showing that the employer had knowledge of the handicap and that there was a causal relation between the handicap and adverse event.” *Id.*

Here, as described above, Mr. Donaldson does not allege that Trae-Fuels fired him because of his disability and can point to no evidence that supports such a claim. Accordingly, his claim of discrimination fails.

### **III. MR. DONALDSON’S CLAIM FAILS BECAUSE HIS TERMINATION WAS BASED SOLELY ON HIS MISCONDUCT**

The Fourth Circuit also requires a plaintiff under the ADA to establish that “at the time of the discharge, he was performing his job at a level that met his employer’s legitimate expectations.” *Runnebaum v. NationsBank of Maryland, N.A.*, 123 F.3d 156, 164 (4th Cir. 1997). As documented herein, Mr. Donaldson was fired because of his inability to meet the performance expectations for his position and thus had not “met his employer’s legitimate expectations.”

Mr. Donaldson has offered no evidence to support his claims that he performed his job competently other than his self-serving and incorrect assertions that his supervisors (including Mr. Frink) never gave him “any written or oral negative feedback, reviews, or complaints regarding his work.” As documented by Exhibit 1, the evidence shows otherwise. That Exhibit, an Employee Counseling Notice dated June 4, 2014, indicates that Mr. Frink and two other supervisors of Mr. Donaldson met with him “to establish performance expectations” and told him that he “needs to focus on performing at a higher level.” Exhibit 1. His supervisors also “removed all HR employee files responsibilities” because the files were “out of federal compliance,

confidentiality agreements were missing, and random accounts payable items were placed in the employee files.” *Id.* Finally, the Notice concluded that Mr. Donaldson “needs to produce more qualitative/quantitative work and be a hands on controller.” As detailed in Section I.A.1. above, because Mr. Donaldson’s performance did not improve over the next three months, he was dismissed from his position. Accordingly, he cannot possibly meet his burden of showing that he was meeting the “legitimate expectations” of his employer.

#### **IV. MR. DONALDSON’S ALLEGATIONS OF TRAE-FUELS’ AWARENESS OF HIS CONDITION IS NOT SUFFICIENT**

The only link Mr. Donaldson has provided between his dismissal and his disability is that Trae-Fuels was aware of his disability at the time of his dismissal. The Fourth Circuit has clearly indicated that this is not enough: “the mere fact that an employer is aware of an employee’s impairment is insufficient to demonstrate either that the employer regarded the employee as disabled or that that perception caused the adverse employment action.” *Runnebaum*, 123 F.3d at 166-67, 174.

#### **V. MR. DONALDSON’S CLAIM WOULD FAIL EVEN IF HIS DISMISSAL WAS RELATED TO HIS DISABILITY**

Even if Mr. Donaldson’s dismissal was based on his employer’s awareness of his disability (which it clearly was not), Mr. Donaldson still could not recover under the ADA. Fourth Circuit law “is well settled that the ADA is not violated when an employer discharges an individual based upon the employee’s misconduct, even if the misconduct is related to a disability.” *Jones v. Am. Postal Workers Union*, 192 F.3d 417, 429 (4th Cir. 1999); *see also Martinson v. Kinney Shoe Corp.*, 104 F.3d 683, 686 (4th Cir. Va. 1997) (“misconduct—even misconduct related to a disability—is not itself a disability, and an employer is free to fire an employee on that basis”); *Tyndall v. National Educ. Ctrs.*, 31 F.3d 209, 214-15 (4th Cir. 1994) (finding no discrimination

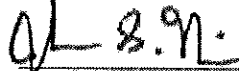
when firing because of disability-related absences); *Little v. FBI*, 1 F.3d 255, 259 (4th Cir. 1993) (finding no discrimination when firing for disability-related intoxication on duty).

## VI. CONCLUSION

Mr. Donaldson's allegations are demonstrably false and he has failed to allege that there was any connection between his dismissal and his employer's awareness of his disability. Accordingly, Respondent Trae-Fuels respectfully requests that Mr. Donaldson's claims be dismissed without the need for any further proceedings.

Date: January 16, 2015

Respectfully submitted,



Lars H. Liebeler

Jackson S. Nichols

**THALER LIEBELER, LLP**

1825 Eye Street NW, Suite 400

Washington, D.C. 20006

Tel: 202.587.4749

Fax: 202.466.2693

**COUNSEL FOR RESPONDENT  
TRAE-FUELS LTD.**

# **EXHIBIT 46**



**To:** Russell, Yolanda M.[Yolanda.Russell@umb.com]  
**Cc:** John Frink[jfrink@traefuels.com]; Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-05-20T11:28:52-04:00  
**Importance:** Normal  
**Subject:** Trae-Fuels Line of Credit  
**Received:** 2014-05-20T11:28:52-04:00

Hi Yolanda,  
I hope that you are doing well.

I wanted to reach out and see what Trae needed to do if/when they need to draw on their line of credit with UMB? Also, do you have a borrowing base report that they will need to fill out each month for compliance?

Thanks,

--  
Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office: (970) 346-3900

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# **EXHIBIT 47**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**Cc:** John Frink[jfrink@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-05-29T19:35:51-04:00  
**Importance:** Normal  
**Subject:** Re: UMB Line of Credit Draw Analysis as of May 29, 2014  
**Received:** 2014-05-29T19:35:51-04:00

I think this looks good overall. We probably do not want to include the Old Chip inventory as we will have to write this off if we are still going to burn it. It might be worth us finding another use for this than burning it (maybe mulch?). As far as timing is concerned, you will just need to let Yolanda Russell know that you need to borrow the money and how much. You do not need to borrow the whole amount until you need it either. You could borrow what you need and draw up on the line as you need it rather than paying the interest on the whole amount. The borrowing base report will need to be submitted monthly to Yolanda as well. I would recommend that John sign the borrowing base each month.

On top of the borrowing base report, they will want to see the financials, and A/R aging and an inventory list.

Please let me know if you have any questions.

Thanks,

Kevin

On Thu, May 29, 2014 at 10:45 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

Good Afternoon Kevin and John:

After have entered all available inventory through 5/28/2014, please find attached the UMB Borrowing Base Certificate/Collateral Schedule and the Inventory Listing as of 5/29/2014.

As we really don't have many receivables and most of our work is international in scope (International receivable do not qualify), I did not include any analysis of receivables as they are negligible.

Please review the attached the schedules and let me know your thoughts. If it is acceptable, I guess John or another officer would have to sign the Borrowing Base Certificate/Collateral Schedule.

Kevin, how long would it take to turn this around to have an infusion of cash in our account. We are down to 115K as of yesterday and 60K will come out tomorrow for the UMB Loan and next week is a payroll week. We will be cutting some checks and holding them for a few days until we can draw on the line.

Thanks,

Mike

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

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Kevin C. Whyrick  
Vice President - Finance  
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910 54th Avenue, Suite 230  
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# **EXHIBIT 48**

**To:** Russell, Yolanda M.[yolanda.russell@umb.com]  
**Cc:** Kevin Whyrick[kwhyrick@envirotechservices.com]; John Frink[jfrink@traefuels.com]  
**From:** Michael Donaldson  
**Sent:** 2014-05-30T10:57:48-04:00  
**Importance:** Normal  
**Subject:** Re: Trae Fuels - Line of Credit Borrowing Base Certificate/Collateral Schedule  
**Received:** 2014-05-30T10:57:48-04:00  
[Executed UMB Borrowing Base Certificate-Collateral Schedule 05292014.pdf](#)  
[Line of Credit - Inventory Worksheet Analysis 05292014.xlsx](#)

Good Morning Yolanda,  
Please find attached the UMB Borrowing Base Certificate Collateral Schedule executed by Trae-Fuels General Manager, John Frink on May 29, 2014. John, would like to draw the eligible \$669,981, which represent 70% of the Inventory valuation.

Also, please find attached the Inventory calculation as of May 29, 2014, that substantiates the Borrowing Base Certificate Collateral Schedule.

Is there anything else that you would require from us to commence the process of drawing on the line? Also, how long is the turnaround before we would see the funds in our DDA Account?

If you have any questions, please feel free to call me at (540) 205-2440.

Thanks,

Mike Donaldson

--  
Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

# EXHIBIT 49

**To:** Russell, Yolanda M.[yolanda.russell@umb.com]  
**Cc:** John Frink[jfrink@traefuels.com]; Kevin Whyrick[kwhyrick@envirotechservices.com]  
**From:** Michael Donaldson  
**Sent:** 2014-06-03T14:55:02-04:00  
**Importance:** Normal  
**Subject:** Re: Line of Credit Advance of \$500,000.00  
**Received:** 2014-06-03T14:55:02-04:00

Good afternoon Yolanda,

It was great speaking with you again and confirming that all looks acceptable on the borrowing base report and supplemental schedules that I forwarded to you earlier today.

We would like to draw \$500,000.00 immediately on the line of credit today and deposit into our DDA account. If the needs arises in the future, I understand that we can borrow against that remaining \$227,630 by forwarding you an e-mail for that purpose.

Again, thank you for all your assistance,

Mike

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)



# **EXHIBIT 50**

**To:** Russell, Yolanda M.[Yolanda.Russell@umb.com]  
**Cc:** Michael Donaldson[mdonaldson@traefuels.com]; John Frink[jfrink@traefuels.com]; Brix, Nicole L.[Nicole.Brix@umb.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-06-03T15:07:56-04:00  
**Importance:** Normal  
**Subject:** Re: Line of Credit Advance of \$500,000.00  
**Received:** 2014-06-03T15:07:56-04:00

I am also good with the borrowing schedule as mentioned by Michael,  
Thanks,

Kevin

On Tue, Jun 3, 2014 at 12:00 PM, Russell, Yolanda M. <Yolanda.Russell@umb.com> wrote:

Thanks, Mike. We will get the advance done today. Just so we make sure you are taken care of, please include my assistant on any request in the future...two heads are better than one (smile). Here is her contact information:

**Nicole Brix** | Commercial Relationship Specialist |

Commercial Banking

**UMB Bank** | 1670 Broadway | Denver, CO 80202

303.764-3617 Office

nicole.brix@umb.com | umb.com

Count on more.

Have a good day!

Yolanda

**Yolanda M. Russell**

Senior Vice-President

Commercial Banking

**UMB Bank**

1670 Broadway

Denver, CO 80202

303.764-3612 Office

303.839.2289 Fax

TRAE-PROD0008298

Yolanda.Russell@umb.com

umb.com

Count on More

---

**From:** Michael Donaldson [mailto:mdonaldson@traefuels.com]

**Sent:** Tuesday, June 03, 2014 11:55 AM

**To:** Russell, Yolanda M.

**Cc:** John Frink; Kevin Whyrick

**Subject:** Re: Line of Credit Advance of \$500,000.00

Good afternoon Yolanda,

It was great speaking with you again and confirming that all looks acceptable on the borrowing base report and supplemental schedules that I forwarded to you earlier today.

We would like to draw \$500,000.00 immediately on the line of credit today and deposit into our DDA account. If the needs arises in the future, I understand that we can borrow against that remaining \$227,630 by forwarding you an e-mail for that purpose.

Again, thank you for all your assistance,

Mike

Michael A. Donaldson

Controller

Trae-Fuels

1376 Fredericks Hall Road

Bumpass, VA 23024

Office: (540) 205-2440 Ext# 102

Mobile: (540) 642-3858

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TRAE-PROD0008299

E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

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--

Kevin C. Whyrick  
Vice President - Finance  
EnviroTech Services, Inc.

910 54th Avenue, Suite 230  
Greeley, CO 80634  
Office: (970) 346-3900

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# EXHIBIT 51

**To:** Brix, Nicole L.[Nicole.Brix@umb.com]  
**Cc:** Russell, Yolanda M.[yolanda.russell@umb.com]; Kevin Whyrick[kwhyrick@envirotechservices.com]; Chris LaRocco[clarocco@envirotechservices.com]; John Frink[jfrink@traefuels.com]  
**From:** Michael Donaldson  
**Sent:** 2014-06-16T12:16:35-04:00  
**Importance:** Normal  
**Subject:** Re: Line of Credit Advance of \$227,630.00  
**Received:** 2014-06-16T12:16:35-04:00

Good Morning Nicole and Yolanda.

We would like to draw on the remaining \$227,630.00 and deposit in our DDA Account today, that is on the borrowing base report of the total \$727,630.00, of which \$500,000.00 was advanced to us on June 3, 2014.

Thank you so very much and have a wonderful day!

Mike

--

Michael A. Donaldson  
Controller

Trae-Fuels  
1376 Fredericks Hall Road  
Bumpass, VA 23024  
Office: (540) 205-2440 Ext# 102  
Mobile: (540) 642-3858  
Fax: (540) 205-2455  
E-mail: [mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)

# **EXHIBIT 52**

**To:** Michael Donaldson[mdonaldson@traefuels.com]  
**Cc:** John Frink[jfrink@traefuels.com]; Chris LaRocco[clarocco@envirotechservices.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-06-17T10:44:25-04:00  
**Importance:** Normal  
**Subject:** Re: Trae-Fuels - Cash Position  
**Received:** 2014-06-17T10:44:25-04:00

Yes, the line of credit is \$3 million, but we can only borrow based on the 70% of inventory and 80% of receivables. Keep in mind that if the total value of inventory reduces, we will need to pay that line of credit down to match the 70% of the inventory value.

I think that it is time that we determine the amount that we need to go to the members with for a capital call. In reviewing the LLC's operating agreement, the responsibility falls on the GM to make the determination with the members to make a capital call. I would recommend that this be an amount that can sustain us through this slow period in revenue, as it is better to go to the members once rather than multiple times.

Thanks,

Kevin

On Tue, Jun 17, 2014 at 7:16 AM, Michael Donaldson <[mdonaldson@traefuels.com](mailto:mdonaldson@traefuels.com)> wrote:

John & Chris,

As mentioned on Friday, June 13, 2014, I printed A/P checks to cover obligations due through the period to 06/30/2014. The total check run for these 2 weeks was \$408,315.36 (some of the larger amounts \$78K for electric, \$69K -Primary Packaging - bags for ECO-Pellet which the deal may not make it, ESI-65K which is over \$200K total). As John is out of town for this time frame and he is the only physical signor present, I wanted to make sure we had this time frame covered.

Yesterday, I asked UMB to transfer the remaining \$227,629.00 on the line of credit and I have verified that it is in our checking account.

When I gave you the cash flow position analysis on Friday, I mentioned to you that even with the line of credit draw of the remaining \$227,629.00, we would only have about \$75,000 in cash if we mailed all the checks, which we have not. I only mailed the critical items (Electric, Loggers, etc for a total of \$151,531.27) Plus it being a Payroll Week, ruff estimate of \$40K, would only leave \$35K in cash.

Attached is my Cash Report for Monday, June 16, 2014 and as you can see the balances are:

Book Balance: \$74,031.88

Bank Balance: \$502,686.05

Float: \$428,654.17

So, looking at Cash total this is what we have:

\$502,686.05 - Bank Balance @ 6/16/2014

\$20,338.81 - Less: O/S Checks mailed prior to 6/16/2014

\$151,531.27 - Less: Checks mailed from 6/13/2014 check run

\$330,815.97 - Cash Available 6/16/2014 (Included checks held of \$256,784.09)

\$256,784.09 - Less: Checks Held



\$74,031.88 - Total Book Balance 6/16/2014

\$40,000.00 - Estimated Payroll 6/19/2014

\$34,031.88 - Estimated Book Balance Cash at end of this week

This question is probably for Kevin, I know that we have a \$3,000,000 line of Credit with UMB, but isn't that limited to the upper percentages of 80% of A/R and 70% of Inventory, which we have already utilized?

As you know Cash Flow is critical and if we cannot generated some "quick deposits for sales", UMB inflow of the LOC, or some other means, then we have to rethink our purchasing priorities right now. One thing we do not want to do, is to continue on this track and have the loggers and others not being paid timely, which can have a negative domino effect.

Thanks,

Mike

--  
Michael A. Donaldson  
Controller

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--  
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# **EXHIBIT 53**

**To:** Michelle Mills[mmills@envirotechservices.com]  
**Cc:** Gohar Wise[gwise@envirotechservices.com]; Michael Donaldson[mdonaldson@traefuels.com]  
**From:** Kevin Whyrick  
**Sent:** 2014-07-03T19:20:27-04:00  
**Importance:** Normal  
**Subject:** Fwd: Capital Call  
**Received:** 2014-07-03T19:20:27-04:00

Hi Michelle,

We are going to do a member loan to Trae-Fuels for \$403,140.00. This will be a loan at 5%, so Gohar will need to set it up to accrue on a monthly basis. We will be loaning additional money in August and September, so this will add to the loan, but for now I am only worried about the \$403,140.00 amount.

On Monday, please transfer this money from the the ESI account to the Trae account. I do not want to use the 1188 account for this loan, so I have setup the 1190 account for this loan to keep it separate, so please post this amount to this account. I changed the 1188 account to be a reimbursement account from Trae.

Thanks,

Kevin

----- Forwarded message -----

**From:** John Frink <jfrink@traefuels.com>

**Date:** Thu, Jul 3, 2014 at 3:14 PM

**Subject:** Capital Call

**To:** Roger Knoph <rknoph@envirotechservices.com>, Chris LaRocco <clarocco@envirotechservices.com>, Kevin Whyrick <kwhyrick@envirotechservices.com>

Gentlemen,

I heard back from Kevin on the capital call and will correct a few typos. The cash flow is based on what is sold but I do expect Christian to have a few more sales before the end of the month. I would like to get this sent out ASAP so if everyone is good please send a text with the OK before the weekend gets started so I can get this done. Thanks and have a great Holiday.



John Frink

General Manager

540 205-2440 (office)

540 205-2455 (fax)

540 642-2067 (cell)

[jfrink@traefuels.com](mailto:jfrink@traefuels.com)

[www.traefuels.com](http://www.traefuels.com)

--

Kevin C. Whyrick  
Vice President - Finance  
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